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MASSACHUSETTS SMALL CITIES PROGRAM
GENERAL FUND
FISCAL YEAR 1988

REQUEST FOR PROPOSALS

GOVERNMENT DOCUMENTS
COLLECTION

MAR 28 1989



COMMONWEALTH OF MASSACHUSETTS

Michael S. Dukakis, Governor

EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT

Amy S. Anthony, Secretary

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APPLICATION PACKAGE/REQUEST FOR PROPOSALS

FY 1988 GENERAL FUND

MASSACHUSETTS SMALL CITIES PROGRAM

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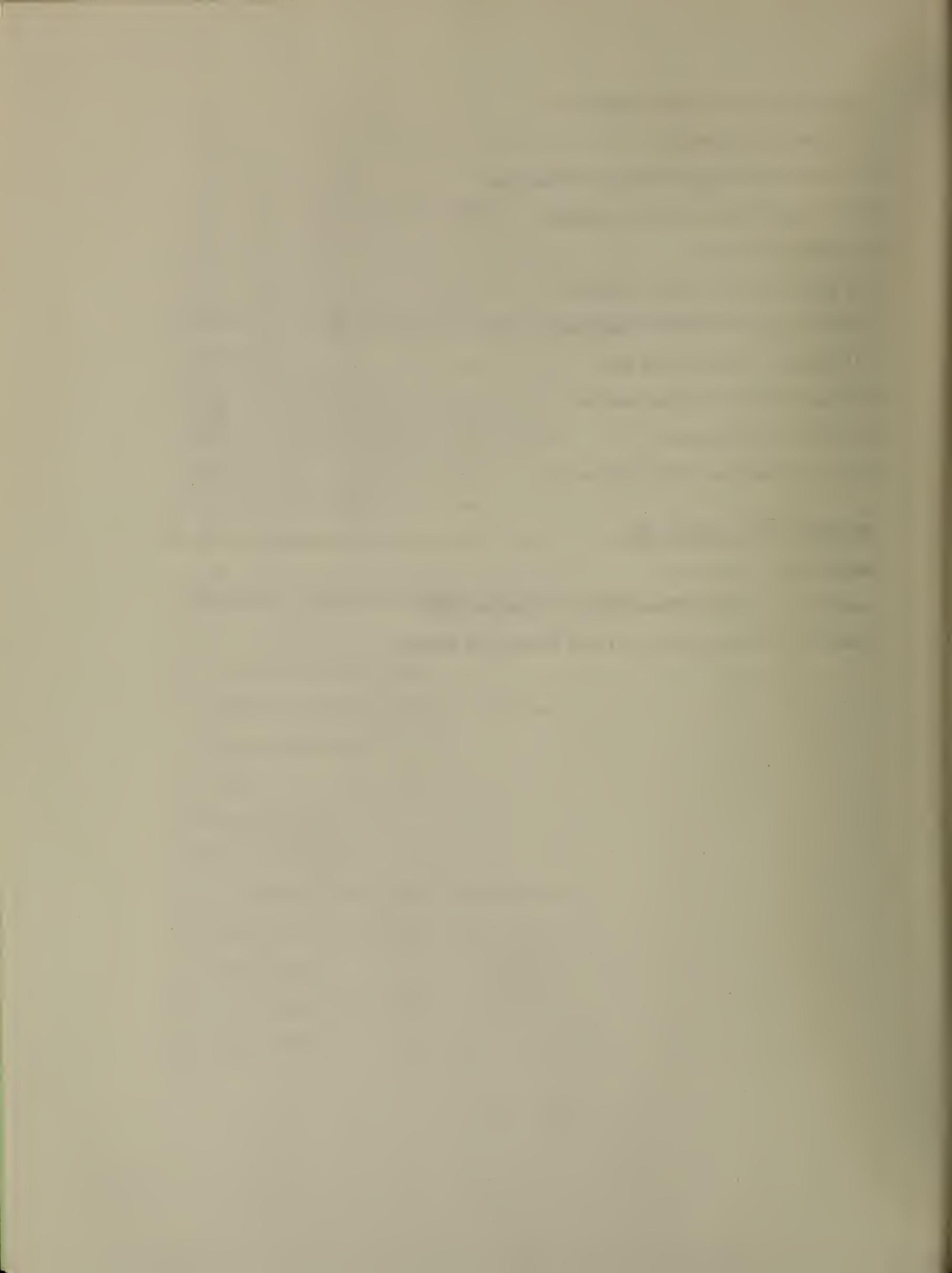
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KEY CHANGES/NOTES FOR FY 1988

This section of the Request for Proposals/Application Package of the FY 1988 MSCP General Fund highlights the major changes or revisions in emphasis that have been made in the program for the FY 1988 competition for funds.

By focusing on these issues, applicants will be able to quickly discern the primary areas of change from last year's program, and the impact that these changes are likely to have on their local program.

(1) Funding Award Limitations

Applications for the General Fund cannot exceed \$800,000 for each program year. For 2-year requests, up to \$1.6 million may be requested. This is an increase from all previous years. The \$800,000 maximum ceiling amount should be considered:

- (1) where an infrastructure or public/neighborhood facilities project benefiting a majority of low and moderate income persons would prohibit other CDBG-eligible activities from being addressed; and
- (2) where other funding sources to reduce the costs of a public facilities project have been sought but are not sufficient.

(2) Performance Bonus Fund

Grant recipients who achieve a contracted commitment level of 65% by May 30, 1989 for any FY 1988 General Fund program component (excluding administration) will receive an automatic bonus award of 15% for the same program activity. The MSCP will verify through a certification process that these contracted commitments have been reached.

A total of \$2 million is available for this Bonus fund.

(3) Innovative Awards

Throughout FY 1988 EOCD will maintain a set-aside of \$100,000 for active General Fund grantees to support innovative proposals throughout the program year. (Refer to page 6 of the FY 1988 MSCP Program Statement.)

Awards under the Innovative Fund will be up to \$30,000 per proposal. Funding priority will be given to projects that address common problems faced by General Fund grantees, or promise to identify techniques to increase management efficiency and effectiveness of General Fund program operations.

(i)

(4) Rental Rehabilitation Program (RRP)

At the time of this RFP, EOCD anticipates having \$2.258 million in FY 1988 Rental Rehabilitation Program funds to distribute to eligible communities. These funds may be used to finance 50% of the cost of rehabilitation in predominantly residential structures. General Fund applicants are encouraged to consider utilizing these funds to expand their rehabilitation activities, particularly to investor-owned properties. Details on the Rental Rehabilitation Program can be obtained by referring to Appendix I, or by contacting David Lawson and Sumner Lederman of EOCD's RRP staff at 727-0494.

(5) Public/Social Services

EOCD recognizes that services directed toward low and moderate income individuals can support a community's overall development strategy. We are strongly encouraging applicants to address such needs in their application.

Service-related activities which are CDBG-eligible are extensive and varied. Some examples are tutoring, drug/alcohol counseling, services for pregnant teenagers, day care, bilingual programs, youth development programs, legal and referral services health education, food distribution and staff support for human/social service providers.

Communities are encouraged to consider submitting requests for funding to provide public services, so long as the community has demonstrated that these funds are not available from other sources and the allocation to public/social services does not exceed 15% of the community's overall Small Cities request.

Additionally, applicants may wish to consider the physical development (or redevelopment) of structures which house public/social services. Such examples are day care centers, homeless shelters, multi-service centers, etc.. Such CDBG-activities would come under the Public Facilities program activity component of their application.

Such projects can be very complex. Therefore, communities wishing to apply for such funding are advised to contact Massachusetts Small Cities staff early in the planning process.

(6) Adequate Management

A MSCP-funded program is likely to be a very challenging undertaking for a community , if the goals are to be achieved in the time frame of a 15-month grant term. Therefore, General Fund applicants should carefully assess the staffing coverage and skills, and other administrative expenses, that will be necessary

to effectively and efficiently implement their program. This assessment should be detailed in the Management Plan section of the application, and the Administrative Budget should clearly reflect this analysis.

As long as the total Administrative Budget (both for General Administration and Program Administration) does not exceed 23% of the total budget, and the General Administration portion does not exceed 18%, EOCD's primary criteria for judging the competitiveness of an applicant's General Fund management plan/administrative budget is whether it is well thought out, and represents a sound approach to achieve proper management.

(7) Lump Sum Prohibition for First Time Grantees

First-time grantees generally will not be allowed to enter into Lump Sum Agreements (see page 22) for private property rehabilitation. The negotiations for such agreements is time-consuming and often delay start-up activities once grant awards are made. Lump Sum Agreements also are not a necessary program element to ensure timely payment to vendors if grantees use the escrow alternative properly.

(8) Citizen Participation Plan -- Expanded Application Requirements

As a result of recent federal legislation Small Cities applicants must submit a Citizen Participation Plan which will provide for a public participation process. In their application, municipalities must demonstrate the participation of its citizens in the identification and development of community needs and the proposed program activities.

Applicants shall explain how citizens will be involved in the evaluation of funded activities, and how on-going citizen inquiries will be handled. Communities shall specify the means for persons of low and moderate income to participate and incorporate provisions for non-English speaking residents in such a process.

(9) Displacement/Relocation Plan - Expanded Application Requirements

Recent federal and state regulatory changes will require General Fund applicants to devote much more attention to this section of their proposals to EOCD. For example, the new Massachusetts lead paint law requires the occupants of a residential structure to be temporarily relocated during lead paint abatement procedures (costs of such relocation is a CDBG-eligible expense). The U.S. Housing and Community Development Act (as amended) also requires the provision of "reasonable relocation benefits" and affordable replacement housing for those permanently displaced by CDBG-activities.

(10) Massachusetts Housing Partnership

The Massachusetts Housing Partnership (MHP) will continue as EOCD's major agency initiative during this program year. As part of that process, localities will be encouraged to form local public-private partnerships to develop affordable housing opportunities for moderate and low income persons. A community applying for MSCP General Fund monies to support an activity integral to its MHP-related efforts will have a competitive advantage during the review process, assuming its project is feasible and consistent with MSCP priorities.

SECTION I

SOME INITIAL CONSIDERATIONS IN PREPARING A

GENERAL FUND APPLICATION

This Request for Proposals covers only the competition for the General Fund component of the FY 1988 Massachusetts Small Cities Program (MSCP). The General Fund has been budgeted at approximately \$18 million. From this allocation, EOCD anticipates being able to award grants to about 30-35 grantees (with joint proposals counting as a single award).

Requests for Proposals (RFP's) for the other components of the MSCP are issued under separate cover. A description of these components, the approximate schedule for the issuance of their RFP's, and the deadline for application submission has been listed in the FY 1988 MSCP Program Statement. Any project that could be more appropriately funded from these other MSCP funded programs should not be submitted to the General Fund.

Since there is no pre-application during this competition, the proposal must emphasize the applicant's ability to adequately design and describe a manageable program that has a significant impact on identified needs.

Although the list of activities eligible for consideration is extensive, most General Fund projects fall into one of four primary categories: housing rehabilitation, infrastructure improvements, commercial renovation, and public services. (Refer to pages 18-22 of the MSCP Program Statement for a detailed listing of CDBG-eligible activities.)

Applicants may apply for monies to implement a single-purpose project that focuses on one of the above categories, or a comprehensive program that includes more than one of these activities. EOCD encourages applicants to consider submitting a comprehensive proposal when multiple needs have been identified and there is sufficient management capacity and expertise available to carry this out.

EOCD intends to focus its MSCP funds on projects that directly benefit low and moderate income people. As a secondary priority, EOCD will consider activities that aid in the prevention or elimination of slums or blight, or address a critical community need.

However, projects that address a critical community need will receive funding priority under the General Fund if it can be documented that : (1) the identified need threatens the health, safety, or welfare of the community or its residents; (2) the identified need has not resulted from neglect on the part of the applicant; (3) there are no other financial resources available to address the need; and (4) the need has occurred or has been identified within the past 18 months. All of the above

criteria, 1-4 must be satisfactorily addressed. (If communities experience such emergencies between General Fund application rounds, they are also encouraged to contact the MSCP staff to find out if assistance might be available from the Emergency Fund component of the MSCP.)

IMPORTANT POINTS

Specific program issues are identified throughout the FY 1988 MSCP Program Statement. Reference to this document should be made often while reviewing the General Fund RFP. There are, however, key issues that are relevant to an application for the General Fund and deserve specific discussion.

Who Is Eligible?

Only units of local government can apply for and receive MSCP funds. This does not include housing authorities, non-profit organizations, or regional planning agencies. Any city or town within the Commonwealth is eligible to apply for MSCP funds as long as it has less than 50,000 residents and is not currently receiving Community Development Block Grant money from the U.S. Department of Housing and Urban Development (HUD) in FY 1988 under its Entitlement Program.

The following restrictions also may prohibit a specific community's participation: (1) if it has received a prior earmark of FY 1988 funds as a multi-year recipient; or, (2) if it intends to submit an individual application to the FY 1988 General Fund, it cannot be part of a joint application during FY 1988.

How Long Is The Program Year?

MSCP grants are based upon a one year schedule, with each program year lasting 15 months. To that end, applicants should design programs which can be realistically accomplished within a one year, 15 month, program cycle. Applicants who submit unrealistic project schedules will be at a disadvantage during the review process.

Extensions to grants are reviewed on a case-by-case basis, and considered only upon demonstration of adequate management capacity and reasonable program performance.

Two-Year Applications

The MSCP will allow municipalities the option to apply for funds to operate a program which will run for two successive program years, in this case FY 1988 and FY 1989. Successful applicants for a two-year program will receive an award for the first year (FY 1988) and a commitment of second year funds (FY 1989) contingent on adequate FY 1988 performance.

In judging such two-year requests, EOCD will consider the appropriateness of a two-year approach, given the area's needs, the target population's characteristics, and the program goals and design. Considerable emphasis will also be placed on past performance and/or management capacity to effectively operate a two-year program.

For those communities who are applying for a multi-year grant, a two-year schedule (each program year being 15 months) shall be designed.

Who Benefits?: Low and Moderate Income Persons

The primary purpose of the Community Development Block Grant Program is to benefit low and moderate income people. Low and moderate income is defined as 80% of an identified area's median income. In projecting low and moderate income benefit resulting from proposed programs, applicants must employ the above definition. Those applications which can demonstrate a relatively higher degree of low and moderate income benefit will have a more competitive proposal.

In certain program activities the following criteria must be utilized in determining low and moderate income benefit:

(1) Housing Acquisition and Rehabilitation:

-Project must, upon completion, be occupied at a minimum by 51% low and moderate income households;

(2) Economic Development Activities:

-Project must involve facilities designed for use predominantly by low and moderate income persons; or

-Project must involve the employment of persons, a majority of who are low and moderate income;

(3) Areawide Activities:

-Project must be carried-out in an area where not less than 51% of the residents are of low and moderate income and benefit these people.

Comprehensive/Multi-Purpose v. Single Purpose Programs

The General Fund has two program categories which a municipality may request: single-purpose programs and comprehensive programs. A single-purpose program is one that does only one major activity (e.g. housing rehabilitation, commercial renovation, public improvements, etc.) Generally, this type of program is used in communities that do not have series of significant problems, or in a target area that has one predominant issue that must be addressed before any others receive attention, or in municipalities which are addressing some of their needs through other resources. A comprehensive program involves more than one major activity and is used to address several problems simultaneously.

As mentioned earlier, the MSCP is encouraging applicants to address their social service needs in applying for the General Fund. However, because of statutory provisions, public service activities may only be funded if done in conjunction with other activities that are a part of a comprehensive application. Proposals for public/social activities may not exceed 15% of the total requested grant funds.

Joint Applications

As in previous years, joint applications from two or more communities will be considered for funding under the MSCP. This type of proposal is particularly encouraged from communities wishing to address a common need on a regional basis or wishing to take advantage of the economies of scale offered by such projects, such as single-purpose housing rehabilitation projects. However, a community cannot submit both a joint proposal and an individual proposal during the same General Fund round.

There are several procedural issues that must be kept in mind when submitting a joint application.

- (1) Communities involved must obtain the approval to participate in the application (and the signature) of its Chief Elected Official at the time of application, and have all certifications properly signed. Failure to do so will eliminate that particular community from the proposed program. (Forms are included in Section IV, Application Forms.)
- (2) A lead community must be designated from among the participants to act as the official grant recipient. If the program is approved, this community will be responsible for the implementation of the program.
- (3) Joint proposals are limited to the same maximum grant amount, regardless of the number of communities involved in the program.

- (4) All participating communities must sign an inter-local cooperative agreement.
- (5) 100% of all program funds must be allocated among the participants at the time of application to ensure that each participant receives a fair share of funds; establishing a "pool" of funds that can be accessed by all communities is not allowed.

Targeting

The concept of targeting program benefits to a particular area or group of people is strongly encouraged by EOCD. Not only can a relatively limited amount of money be used to generate a maximum impact through targeting, but funds are used only where they are most needed. Application review will place a heavy emphasis on the level of targeting in each project and the reasonableness of the targeting method used.

The targeting of Massachusetts Small Cities Program funds can take place in two ways. First, a specific geographic area can be selected to be the focus of activity; or second, a certain portion of the population can be singled out for assistance.

Either of these approaches is acceptable, as long as adequate justification accompanies the defined target area or population. A major point to be considered when developing a targeting strategy is that a target area need not be an identifiable neighborhood, as long as it has similar characteristics and problems. Criteria to be considered are: shared problems; shared needs; geographic concentration of needy populations and/or physical deterioration; or any other factor which causes an area or a portion of the population to be separately identified. A community may select more than one target area or population if the circumstances warrant such an approach.

After consultation with rural communities throughout the state, the MSCP recognizes the fact that in some smaller, more rural communities the entire town may be the target area. Also, in many communities that have had a long history of housing rehabilitation, a target area may no longer be a realistic approach to this problem. As long as there is adequate justification for such a town-wide delineation, communities will not be penalized during the review process.

Citizen Participation

The participation of citizens and citizen groups in the design of a Massachusetts Small Cities Program application, and their review of on-going funded activities, is a priority of the State.

Also, the Housing and Community Development Act of 1987, Section 508, has added additional citizen participation requirement which must be implemented by all applicants and grant recipients.

All applications must contain a detailed Citizen Participation Plan. This plan must at a minimum allow for a public process to obtain citizen views and comment prior to the development of an application for MSCP funding, particularly in needs identification and program design. All applicants are required to hold atleast one formal public hearing before submitting a proposal for MSCP funds. Notice of that hearing must be published at least once a week for at least two (2) successive weeks immediately prior to the date of the hearing, in at least one newspaper of general circulation in the locality.

Further, the Citizen Participation Plan must: incorporate citizen participation and review of on-going performance of an awarded grant; provide for and encourage participation by persons of low and moderate income; and, identify how the needs of non-English speaking residents will be addressed during implementation of a citizen participation plan.

The Citizen Participation Plan requirements as part of this application is in Section III Application Format, page 24.

Sub-Recipients/Administering Agents

(1) Specially Designated Non-Profits and other Organizations

According to the federal Housing and Community Development Act of 1974 and the regulations promulgated with it, among the eligible activities that a community can undertake with Small Cities funds are allocations to:

"...neighborhood-based nonprofit organizations, local development corporations, or entities organized under section 301(d) of the Small Business Investment Act of 1958 to carry out a neighborhood revitalization or community economic development or energy conservation project in furtherance of the objectives of section 101(c)..." Public Law 93-383, Title I, Sec. 105 (a) (15)).

However, such eligible organizations can participate in the General Fund only if a city or town applies on their behalf. This delegation of activities must take place on a subcontractual basis, with the community ensuring that the MSCP funds will be utilized in a manner that is consistent with the requirements of the program.

These specified types of organizations selected to participate in a MSCP grant under this type of arrangement, as well as local housing authorities and regional planning agencies, shall be considered exempt from the normal procurement requirements of the program. The community must designate the organization in writing, however, and meet the contractual requirements cited above.

Revisions in Section 504 of the 1987 Housing and Community Development Act changes the word "grant" to "assistance". Previously, only grants were permitted to neighborhood based non-profits and local development corporations. Any form of assistance, grants or loans, would now be permissible under this provision.

(2) Consultants

In order to gain the most qualified services for the least amount of money, we encourage communities to use a competitive process if selecting a consultant to design its program and application, or to carry out its funded activities. This will allow the community to compare the types of services that are being offered and select the consultant that most closely meets its needs.

(a) Application Preparation

There are two types of contracts that a community may enter into for consultant services during the application phase. First, a community may enter into a "speculative" contract, where a proposal is prepared by the consultant and the consultant is paid only if the community receives MSCP funding. If the project is not funded, the community has no financial obligation to pay the consultant. Second, a community can execute a contract with a consultant and commit local funds for the preparation of the proposal. This procedure presents some amount of risk to the community, since funds must be paid regardless of the success of the proposal.

Two further points should be considered when consultants are hired to prepare a MSCP proposal. Under no circumstances may a community contract with a consultant to prepare the application and guarantee it the job of administering the local Small Cities Program if the proposal is successfully funded. This is expressly forbidden under MSCP policies, which require free and open competition in all consultant contract awards. The application preparation and the implementation phases of the project should be kept separate at all times.

Additionally, the maximum amount of MSCP funds that can be used by successful applicants to pay for consultant services in application preparation is \$3,000. A community may pay more than this amount to the consultant; however, the difference between the \$3,000 potentially reimbursable from the MSCP and the total fee paid must be borne by the locality.

(b) Grant Administration

Once a city or town receives a grant award, they may choose to hire a consultant to administer the program. This hiring process is governed by state and federal rules and regulations and will require communities to conduct a competitive procurement process.

Civil Rights Compliance

Every applicant for MSCP funds will be reviewed to determine its compliance with state and federal civil rights obligations and requirements. This determination will be made by the Massachusetts Commission Against Discrimination (MCAD) in consultation with EOCD. Should an applicant be found to be in violation of these requirements by MCAD, it may be prohibited from receiving MSCP funds until these violations are resolved.

Single Audit Act Requirements

If a community is awarded funds under the MSCP, regardless of the program component (General Fund, EDSA, ISAP, etc.), that community will be responsible for compliance with the federal Single Audit Act of 1984. The Single Audit Act requires an annual audit for a local government if the total federal financial assistance received exceeds \$100,000 for a fiscal year's activity. Please keep in mind, this means all programs in total. For example, a city or town may receive funds from numerous federal sources such as, Department of Education, Transportation, HUD, EPA, or EOCD-administered HUD programs, etc..

The Town Accountant is the local official responsible for coordinating the town's compliance with audit requirements. Be sure that adequate funds have been budgetted within the administrative cost breakdown of the proposed General Fund budget to cover a proportionate share of this expense.

SECTION II

Program Design and Other Application Review Criteria

General Fund applications are reviewed from the standpoint of a number of evaluation criteria. There are 5 primary criteria to be used during application review. They are: (1) need; (2) program design; (3) impact; (4) management capacity; and (5) past performance, if an applicant is a prior grant recipient of Massachusetts Small Cities funds. We urge you to review pages 1 through 4 of the FY 1988 MSCP Program Statement. The evaluation criteria are described in detail throughout these pages. To augment that description, the MSCP offers the following for consideration when applicants are designing program activities and assessing their past performance.

Program Design

Although EOCD is not stipulating that an applicant follow a certain type of program design if it is undertaking a specific program, it has developed a number of points that it utilizes to evaluate an applicant's program design. Since projects generally can be grouped into four areas --- housing rehabilitation, commercial renovation, infrastructure improvements, and public services--comments on program design are categorized accordingly below. NOTE: Applicants do not need to incorporate all of these issues as long as the program design represents an effective strategy to address identified needs.

(A) Housing Rehabilitation:

- all single-family units that are to be rehabilitated should be able to be inhabited upon completion by low and moderate income people. In multi-unit structures at least 51% of the units should be available to/inhabited by low and moderate income people at affordable rents. The closer a program is to 100% low-mod benefit, the more competitive the proposal, as long as it is consistent with a realistic appraisal of the Target Area's needs and the program demand that will be generated.
- funds should be used to address serious code violations in the most distressed areas and not be used to address minor violations simply to increase productivity levels.

- the level and type of subsidy involved in housing rehabilitation should be geared to the people that will be served. A loan program may not be the most effective way to operate a program that focuses on very low income people. Similarly, grants are not the best way of assisting people with an ability to pay for a portion of the cost of rehabilitation.
- programs should be cost-effective both from a per unit administrative cost as well as how the rehabilitation subsidy is structured. The more cost-effective the program is vis-a-vis the identified needs, the more competitive a proposal will be considered.
- lead paint, asbestos removal, and substantial rehabilitation may likely require temporary relocation, and in a few instances displacement. Applicants must identify the measures that will be undertaken and assistance offered in such cases.
- due to the limited amount of MSCP funds available, programs that can demonstrate that other public and private funds can be leveraged to address local housing needs will be considered more competitive. The MSCP grant should not be seen as the only source available to undertake rehabilitation, but one of many sources that should be coordinated and integrated into a comprehensive strategy. Other sources may include: private contributions; bank funds; MHFA resources; State Chapter 707 subsidies; or other housing programs, to name a few.
- a regional (or joint) approach to a single-purpose housing rehabilitation program should be considered whenever possible, particularly in smaller, more rural communities that do not have the capacity to carry-out a program on their own. Such an approach can demonstrate a cost-effective method of operating a rehabilitation program and impact upon a larger area than would otherwise be possible.

(B) Commercial Renovation/Economic Development:

- the narrative should include a description of the function of the targeted business/commercial area in relation to the rest of the community. If the business(es) serve(s) a larger area than the community itself, the extent of the service region should be described.

- evidence should be presented to document that there is current and continuing disinvestment in the area. This can be done by describing the commercial vacancy rate, the loss of commercial sales in the area, frequency of commercial turnover, or any other indicator of disinvestment.
- an analysis of how it was determined by the community that the planned approach to these needs will help reverse this decline. If other, coordinated efforts are part of a community's strategy, the community should describe these other activities and the sources of necessary financial support.
- evidence that there is (1) a demonstrated interest that businesses will seek to participate in the commercial program as described in this application and (2) a local business group such as a merchants association has participated in needs identification and program design, and that such an entity supports this activity.
- if the economic development assistance is going to a "for profit" entity, the application should indicate the mechanism the community will use to ensure that any such public funding is "necessary and appropriate" (e.g., underwriting analysis, documentation of need for "gap" financing, etc.).

(C) Infrastructure Improvements:

- proposed project should not be eligible to be funded from another funding source (e.g. MSCP Infrastructure Set Aside Program (ISAP), Community Development Action Grant Program, Chapter 557 Economic Benefits Sewer Program, PWED, etc.). If it is, the applicant should detail the reasons why this money was not sought before MSCP funds were requested.
- the project should be unable to be funded (or funded solely) by the community from local funds or assessments due to a lack of fiscal capacity or other factors.
- infrastructure projects ideally should not be "free-standing", but should be part of a more comprehensive and integrated approach to the revitalization of the applicant's target area and community development needs.

-for all infrastructure projects that are not part of a more comprehensive strategy, the infrastructure project should address a "critical need", as defined as a problem that effects the health, safety, or public welfare of the community and has been identified within the last 18 months.

(D) Public/Social Services:

-the public/social services component should be part of a comprehensive community development program.

-the activities should be directed at providing services and assistance to disadvantaged groups or other individuals in need (particularly the handicapped, the elderly, minorities, linguistic minority new-comers, and other low or fixed income households) in order that such individuals can attain a greater degree of self-sufficiency, and can take greater advantage of the opportunities available to improve the qualities of their lives. The relationship between the barriers to opportunity and the services offered should be a clear one.

-if the grantee intends on utilizing a sub-contractor to provide the services, assurances must be made that the community will execute all necessary contractual agreements to ensure adequate sub-contractor accountability and compliance with MSCP regulations. If the community expects to designate a neighborhood non-profit or other eligible organization through the process described on pp. 6 - 7, the community should provide evidence that the proposed service operator has the necessary expertise.

Prior Performance

Due to limited funding and past experience with Small Cities grantees, an applicant's past performance in the MSCP will be a major factor in the awarding of General Fund grant funds. Several indicators of performance have been established as threshold measures of progress. Although not absolute benchmarks that must be met before an application can be submitted, previous grantees will be at a disadvantage if they are found to be deficient in four or more of these areas.

These indicators are:

- Outstanding audit findings, or repeat monitoring findings;
- Consistently late in submitting required progress reports, or in submitting accurate reports;
- Major unresolved performance issues and monitoring findings;
- Significant reduction of program goals or failure to meet implementation schedule;
- Less than 50% of program funds expended 15 months after grant award;
- Less than 75% of program funds committed after 15 months from grant award;
- Program not complete within 24 months of grant award; and,
- The expenditure of more than 23% of total MSCP grant expenses for administrative purposes.

Obviously, communities which have never received an MSCP grant in the past cannot be evaluated by these indicators. In such instances, more weight will be given to the quality of their management plan, as well as a general assessment of the community's experience, if any, in implementing similar grants.

EOCD also recommends that communities carefully examine past MSCP-related performance of any consultants or other sub-recipients that they might be considering.

SECTION III

APPLICATION FORMAT AND INSTRUCTIONS

This section of the Request for Proposals (RFP) contains instructions for completing an application for the General Fund only of the Massachusetts Small Cities Program (MSCP) during FY 1988. Instructions on how to apply for funds under other components of the MSCP are issued separately. Communities should follow the format that is outlined below and provide all of the requested information in accordance with this format. No other materials need be submitted other than that which has been specifically requested in this section of the RFP.

The deadline for submitting applications under this component of the MSCP will be at 5:00 PM on September 9, 1988. All proposals must be complete and received in the MSCP offices by this time. Late or incomplete applications will not be accepted. An original and five (5) copies of the application should be addressed to:

Amy S. Anthony, Secretary
Executive Office of Community and Development
100 Cambridge Street
Boston, MA 02202

Attention: Massachusetts Small Cities Program
9th Floor

Application Format

The components listed below shall constitute a complete application for FY 1988 funds under the General Fund of the Massachusetts Small Cities Program. Instructions on how to complete the application are contained below.

Copies of all forms necessary to complete the application are contained in Section IV (Application Forms) of this RFP. The following format must be used when developing a proposal for MSCP funding:

- (1) Application Cover Sheet
- (2) Community Profile and Needs Assessment
- (3) Program Description
- (4) Map(s)
- (5) Management Plan
- (6) Local Commitment
- (7) Anti-Speculation/Re-Capture/Forgiveness Plan
- (8) Program Income Re-Use Plan
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- (22) Certifications

General Instructions

The instructions contained on the following pages detail the information that is required to be submitted for each General Fund application. Applicants should make every effort to fully define their housing and community development needs, describe a program that meets a significant portion of those needs, and develop a management plan that can efficiently administer the proposed program. All applicants should follow the format outlined below. The major narrative portion of the text (sections 2-10 below) should not exceed thirty-five (35) pages, inclusive of all forms.

(1) Application Cover Sheet

The Application Cover Sheet should be the first page of each application. Transmittal letters are not necessary. Each section of the Cover Sheet should be completed according to the instructions attached to this form in Section IV and must be signed by the Chief Elected Official of the community before it is submitted for review.

(2) Community Profile and Needs Assessment

The Community Profile and Needs Assessment segment of the application is designed to provide two things: a statistical analysis of the community; and a narrative overview of the housing and community development needs of the community.

The first part of this section should be a completed version of the Community Profile Data Sheet that is included in the Application Forms section of this RFP. The purpose of the data sheet is to obtain a statistical overview of the applicant community so that its basic needs can be compared with those of other applicants. The data sheet is divided into two (2) sections: general statistical indicators and special housing needs. These two sections are further divided according to

the community as a whole and any target area that has been chosen to be the focus of MSCP funds. EOCD expects each applicant to target its MSCP-funded projects so that these funds can be used to achieve a maximum impact on identified needs. The only exceptions to this rule would be: in smaller, more rural communities where needs are not concentrated in a specific area, but diffused throughout the community; or, in communities with a long history of housing rehabilitation that can demonstrate that a targeted approach is no longer feasible. In these instances, a target population must be selected as the focus of MSCP funds.

Each applicant should complete the "community-wide" portion of the General Needs Indicators section based on 1980 U.S. Census information, or any other more recent, verifiable and documented source. If a target area has been selected, the corresponding section of the Need Indicators should also be completed. For those communities choosing to implement a residential rehabilitation program of any type, both Housing Needs Indicators sections should be completed as appropriate, along with the source for this information and date it was prepared. Please note: Census information can be found in the appropriate publications available from most libraries or obtained from the Massachusetts Institute for Social and Economic Research (MISER), c/o Massachusetts State House (Room 50), Boston, MA 02133, (617) 727-4537.

The second portion of this section is the narrative Needs Assessment. The purpose of this section is to allow applicants to discuss their needs in a way that goes beyond statistical indicators to a more in-depth evaluation of the development problems that they are currently facing. Communities are required to analyze their housing and community development needs and provide a narrative of them for both the community as a whole and the target area.

The Needs Assessment should, first, include an overview of the community focusing on any general characteristics of the locality which have not yet been noted or any special characteristics that need to be highlighted. Second, the applicant should describe the specific development problems that the community is experiencing, paying particular attention to the needs that will be addressed by the MSCP-funded project(s). Communities are encouraged to use appropriate locally-derived data as long as the methodology used to determine any such calculations is fully described and attached as an appendix to this application. Locally prepared data will not be considered unless this methodology is attached.

(3) Program Description

The narrative description of the proposed local program specifies what will be accomplished, as well as who will be served, the location of the project(s), and how it will be carried-out. Each major activity proposed must be described separately and must include the following information:

- Name of the Project--housing rehabilitation, streets, sewer, etc.
- Budget Amount--including both programmatic and related administrative costs listed separately.
- Target Area--where the project will be implemented.
- Clientele--income groups that will be served by this project.
- Accomplishments--what will be done (number of units rehabilitated, linear feet of sidewalks constructed, jobs created/retained, etc.).
- Funding Mechanisms--what types of mechanisms will be used to finance the work to be done (loans, grants, interest subsidies, etc.).
- Other Funds--the amount and source of any other public or private funds that will be used on this project.
- Staffing Plan--the position, number of staff and staff time to be committed to implementing this particular project.

The information requested above may be presented in a narrative format. In addition, in this program description, the applicant should make every effort to establish a relationship among the various activities to demonstrate that its needs are being addressed in as comprehensive a manner as possible.

In the case of joint applications, this section must also contain the distribution of all funds among the involved communities. This distribution should be based on need and be agreed to by all parties.

(4) Map(s)

A map of the community must be included with each application. For the purpose of identification, the map should specify: (1) each target area (if any) that will be the focus of MSCP-funded activity; and (2) the location of each major program component listed above in the Program Description section.

(5) Management Plan

All applicants must demonstrate that they currently have, or will be able to obtain, the management capacity to administer a MSCP grant. In order to document this capacity each applicant is required to describe the administrative structure that will be used for program management.

Applicants should, first, identify the public entity responsible for grant oversight and explain its relative position within the local government. If any portion of this grant is to be sub-contracted to another local agency for any implementation, that agency should be identified and its relationship to the local government fully explained. If any portion of this grant is to be sub-contracted to a private firm or organization, the applicant should explain exactly what that organization will do and what its relationship will be with the local government. NOTE: grant recipients must comply with OMB Circular A-102, Attachment 0 which requires "maximum free and open competition" for all contractual services. Therefore, no professional or technical firms can be placed under contract until required procurement procedures have been followed. (The only exception to this rule are the specially designated neighborhood non-profits or other organizations, as was explained on pgs. 6-7.)

Second, in addition to outlining its general administrative structure, each applicant should describe its specific MSCP management plan. This must include: the number of staff to be assigned to the project; the program area for which they will be responsible; their individual responsibilities; and projected salary levels.

Applicants choosing to have their program administered by an outside consultant must still outline an overall management plan which provides the information requested above.

(6) Local Commitment

This section of the application should fully detail any public and/or private funds that will be needed in order to make the proposed project(s) take place. It will also allow the applicant to describe any of its own staff resources that it will commit to the program.

Information provided in the Local Commitment section should be described in three ways. First, any public or private funds needed in addition to the MSCP monies to complete an activity must be fully described and its status completely defined. This will include any public funds (local, CDAG, UDAG, PWED, etc.) or private resources (bank commitments, owner equity, etc.) necessary

to carry-out an activity, or needed to complete a project upon which MSCP funds are based. For all such funds, an appropriate commitment letter must be included in Section 19 of the community's application. Failing this, a complete description of the timetable leading up to this commitment is required.

Second, any "in-kind" resources committed by the applicant or other participating entities to the operation of the program should be described. This should include a description of the staff to be involved with the project(s) and their responsibilities, an estimate of how much this contribution will be worth, as well as the methodology used to determine this estimate.

Third, an applicant may wish to describe any other funds that are being committed to projects on-going in the area, but not directly part of the activities proposed in the General Fund application.

(7) Anti-Speculation/Re-Capture/Forgiveness Plan

In this section, the applicant shall explain their plans to discourage real estate speculation from occurring in connection with, or as a result of, the proposed MSCP activities. If the community intends to run a housing rehabilitation component, a proposed rental agreement policy/statement must be included. EOCD requires that grantees have owner-occupants and investor-owners of residential rental property to be assisted with MSCP funds sign an agreement to limit rent increases according to the Section 8 annual adjustment factor for a minimum of two years following the completion of rehabilitation.

This plan should also include the community's provisions for re-capture of program funds in case of violations of rental agreements (or other program requirements) by property-owners, etc. These provisions must describe the procedures by which it will monitor compliance with rental agreements, loan agreements, etc., including designation of responsible staff persons, and corrective action to be taken. Instances in which forgiveness will be exercised (serious illness, etc.) should also be specified.

Communities operating housing rehabilitation programs should also be aware that they will be required to maintain records for each assisted unit regarding rent level and tenant income level at the time of application, completion of rehabilitation, and expiration of the rental agreement.

(8) Program Income and Re-Use Plan

Any communities which expect to realize some program income as a result of their MSCP program (through loan repayments, recapture, and the like) must indicate in this section how they propose to use their program income.

According to federal regulations and state policy regarding program income, until formal close-out of any grant, the program income generated from that grant may be spent on any CDBG-eligible activity.

Communities which propose to continue the originally-funded CDB activity with their program income should indicate such in their application. Communities that propose an alternate, CDBG-eligible activity should describe this intended re-use. Communities must also estimate how much program income they expect to receive, from what sources, and over what time periods.

(9) Program Impact

The Program Impact section of the proposal allows the community to evaluate what the proposed program will accomplish in relation to the needs that have been identified. Each project that has been separately described in Section 3 - Program Description should be reviewed and its impact detailed in terms of the degree to which the need has been met, the benefits that will accrue to low and moderate income people, the efficiency and cost effectiveness of the program, and the likelihood of this project generating a long-term, positive impact.

In addition, the applicant should summarize what the impact of its total General Fund program, and associated activities (from program income on complementary projects), will be on its overall housing and community development needs.

(10) Displacement/Relocation

It is the policy of the Massachusetts Small Cities Program not to encourage projects to be undertaken with program fund that will cause the permanent displacement of persons, regardless of income. Therefore, as part of their application, communities must explain how they intend to operate their proposed activities so as to minimize displacement, especially for low and moderate income persons.

If displacement or temporary relocation should occur (such as in the case of housing rehabilitation programs, where the new Massachusetts lead paint law requires temporary displacement of occupants during the abatement process), the applicant must indicate what assistance will be provided for the displaced/relocated household. This assistance is both required by the federal Housing and Community Development Act and uniform Relocation Act, and is an eligible CDBG-expense for which the applicant can request MSCP funds.

Applicants must disclose their plan for providing such assistance and should: identify the activity which will cause the displacement; the number of individuals or businesses involved; the likely cost of these actions; and the timing of such actions.

(11) Project Schedule

Applicants are required to complete the enclosed Project Schedule form in accordance with the attached instructions. Since one of the factors that will be evaluated when making funding determinations is the feasibility of the implementation schedule, the measurement of progress should be realistic and achievable given the overall scope of the program.

Project Schedules should last for no more than 15 months, with a FY 1988 beginning date of November 1988 and an ending date of January 1990. Communities requesting multi-year commitments should submit separate 15-month schedules for each year, with the second program year commencing at month 13 of the first year's schedule.

(12) Environmental Review Statement

All MSCP-funded activities are subject to the environmental review procedures of the National Environmental Policy Act (NEPA) and relevant additional federal and state regulations.

A full environmental review is not required at this time, simply a summary statement regarding the proposed activities. Before preparing this summary form, applicants should become familiar with 24 CFR 58 ("CFR" denoting the Code of Federal Regulations) which describes the review process. Each program activity should be individually assessed and listed as: exempt; categorically excluded; subject to review under NEPA; or, requiring an environmental impact statement. The form should also indicate which public review/notice procedures will be followed prior to the community's Request for Release of Funds.

(13) Lump Sum Statement

This section need only be included in the community's application if it is considering requesting Lump Sum Drawdown approval. However, if it is not included, EOCD will presume that the applicant will not seek such approval after award announcement.

Lump Sum Draw Downs will be permitted only for activities relating to the rehabilitation of privately-owned structures. Moreover, no administrative funds may be placed in a Lump Sum account.

If submitted, this section of the application should provide a brief outline of the community's rationale for seeking Lump Sum approval, their goals for the Lump Sum Agreement (dollars leveraged, etc.), and the status of negotiations with financial institutions (including draft agreements if available or correspondence on principles).

It is critical that several points be understood when considering and/or designing Lump Sum Agreements:

- (1) In general, grantees who will be administering a housing rehabilitation program for the first time, or after a period of inactivity, will not receive MSCP authorization for such an agreement.
- (2) MSCP experience has documented that many Lump Sum Agreements do not meet the basic terms and conditions as envisioned. Therefore, if applicable, past performance with Lump Sum administration will be reviewed.
- (3) Program design, particularly the proposed financial mechanisms, must clearly support the benefit of a Lump Sum Agreement. Where design fails to support such an Agreement, the MSCP may determine that it is inappropriate for a Lump Sum Agreement to be authorized.
- (4) All Lump Sum Agreements need to meet the test of HUD regulations, as specified in 24 CFR 570.514. These include that: (1) the community demonstrates significant benefit from the drawdown when compared to the interest the U.S. Treasury would have received; (2) the agreement with the financial institution be in writing, with prior EOCD review of final draft; (3) the amount of drawdown be reasonable compared to proposed use and leveraging; (4) the grantee must begin use of drawdown funds for rehab financing assistance within 45 days of receipt of the drawdown.

(14) Compliance with State and Federal Objectives

The enclosed Compliance forms should be completed as per the instructions attached to the forms. According to MSCP policy, the entire proposed program must meet at least one (1) of the State Objectives of the MSCP program, while each activity must address one (1) National Objective. Funds will not be awarded to any community whose project fails to meet these objectives.

(15) Low and Moderate Income Benefit Analysis

Communities must assess the level of impact that their project will have on low and moderate income people. Every applicant that has selected the "low and moderate income" National Objective to justify any activity, must assess the impact of that activity on the enclosed form.

(16) Budget Summary

The Budget Summary Sheet(s) should be completed according to the instructions attached to the enclosed form. All costs should correspond to those already listed in the Program Description section of the proposal, with groupings of similar activities under one budget item allowed if appropriate (e.g., multiple park renovation projects, or rehabilitation taking place in two separate neighborhoods). Related programmatic administrative costs, if any, should be listed for each major activity.
No contingency accounts are allowed.

A separate Budget Summary Sheet has been included for those applicants submitting two-year proposals. Projects spanning two program years should describe projected budget expenditures for each year separately.

(17) Administrative Costs Breakdown

The Administrative Costs Breakdown form should be completed in accordance with the attached instructions. The amounts listed in the Administrative Costs Breakdown must be for the 15 month grant term and consistent with positions and costs as shown under the following other application sections: (3) Program Description; (5) Management Plan; and, (16) Budget Summary. All requests for administrative money of any kind should be fully explained on this page. No more than 18% of a program's total costs can be used for general administrative purposes, while no more than 23% can be used for combined general and program administrative costs. EOCD will closely analyze the administrative cost plans of applicants, with a more cost-effective program having a better chance to receive funds.

(18) Letters of Financial Commitment

In the Program Description section of the proposal, the applicant has been asked to discuss any other public or private funds that will be specifically leveraged by the MSCP grant or will be required in order to complete the proposed project. These funds should also be identified and listed on the Budget Summary Sheet. For each amount and source identified, a letter committing these funds from the appropriate funding source must be included with the application. Such documentation will be accepted in one of two ways (with the first being preferable):

- (1) A formal letter of commitment from the funding agency/lending institution noting the amount of money committed, the timetable for release of funds, and any contingencies applicable to the use of these funds.
- (2) A letter from the applicant describing the process that will be used to secure these funds, a timetable for commitment, and proof that this process has already been initiated.

(19) Citizen Participation Plan

All applicants for funding under the FY 1988 MSCP must comply with the revised citizen participation requirements contained in Section 508 of the Housing and Community Development Act of 1987. Communities must include in their application for MSCP funding a local citizen participation plan which details specifically how the community will:

- a) provide for and encourage citizen participation, with particular emphasis on participation by persons of low and moderate income who are residents of slum and blighted areas and of areas in which MSCP funds are proposed to be used;
- b) provide citizens with reasonable and timely access to local meetings, information, and records relating to the grantee's proposed use of funds, and relating to the actual use of funds;
- c) provide for technical assistance to groups representative of persons of low-and moderate-income that request such assistance in developing proposals;

- d) provide for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities, and review of program performance. These hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodations for the handicapped;
- e) provide for a timely written answer to written complaints and grievances, within 15 working days where practicable; and,
- f) identify how the needs of non-English speaking residents will be met, in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.

(20) Public Hearing Documentation

This form should be completed as per the instructions attached to the enclosed form. MSCP funds will not be awarded to any community that has not held a public hearing on the proposed program prior to its being submitted to EOCD. Complete documentation that the hearing was held must be submitted as part of the application.

(21) Local Authorization

The Chief Elected Official of many communities must receive authorization from the local governing body of the community before he/she can apply for, receive, or expend funds. Where applicable, a letter from the governing body authorizing these actions must be included with this application. When not applicable, the community should simply state "Not Applicable" for this section of the proposal.

(22) Certifications (CEO and Town/City Treasurer)

- (1) In order to receive MSCP funds, the Chief Elected Official (or an official empowered to sign documents committing the applicant to certain actions) must sign the enclosed CEO Certification form and enclose it with the application at the time of submittal.
Separate copies of this form must be signed by each CEO of any community participating in a joint application.

(2) In addition, if a municipality is a past recipient of MSCP funds which have generated program income that is still subject to federal regulations, the Town/City Treasurer Certification form also needs to be completed and submitted with the application.

Please note: This form is intended to document a community's total balance of program income funds only, not the total of all its MSCP grant-related amounts.

IV. GRANT APPLICATION FORMS

This section of the Request for Proposals contains copies of the forms that must be submitted as part of each applicant's MSCP proposal. Additional instructions on how to complete the form follow each form. Each form must be completed as per these instructions and submitted as part of the proposal. Failure to do so may prohibit the application from being approved for funding.

The following forms are attached:

- Application Cover Sheet
- Joint Application Authorization
- Community Profile Data Sheet
- Program Implementation Schedule (FY 1988, and FY 1989 if two-year proposal)
- Environmental Review Statement
- Lump Sum Statement
- Compliance with State Objectives
- Compliance with Federal Objectives
- Low and Moderate Income Benefit Analysis
- Budget Summary (FY 1988, and FY 1989, if two year proposal)
- Administrative Costs Breakdown
- Public Hearing Documentation
- Certifications -Chief Elected Official
-Town/City Treasurer

FY 1988 GENERAL FUND
MASSACHUSETTS SMALL CITIES PROGRAM

APPLICATION COVER SHEET

APPLICANT

Community: _____ Population: _____

Address: _____

Contact Person: (Name) _____

(Title) _____

Address: _____

Phone: _____

In the case of a joint application, the lead community should be listed first, with the remaining participants following. List the address of the lead community only.

PROJECT

Type: Individual Joint

Category: Single Purpose Multi-Purpose

Fund Use: Housing Rehabilitation

Infrastructure Improvements

Commercial Improvements

Public Facilities

Social Services

Other:

MSCP GENERAL FUND

Grant Request: Year One \$ _____ (FY 1988)
Year Two \$ _____ (FY 1989)
Total \$ _____

RENTAL REHABILITATION

REQUEST

Units Requested _____

Program Funds Requested _____

Administrative Funds Requested _____

TOTAL RRP Request _____

AUTHORIZATION

Typed Name _____

Signature of Chief Elected Official

Title _____

Phone Number _____

Information requested in this section is for lead applicant only.

APPLICATION COVER SHEET INSTRUCTIONS

APPLICANT

Community:

The complete name of the applicant community(ies).

Population:

The total number of residents as per the 1980 U.S. Census.

Address:

General mailing address to which official Massachusetts Small Cities Program correspondence should be sent.

Contact Person:

Name and Title of the local official responsible for preparing this application.

Address:

Mailing address of the Contact Person listed immediately above. If it is the same as the "Address" information, list "Same".

Telephone Number:

Number where the Contact Person can be reached on a daily basis.

PROJECT

Type:

Check whether the community is applying on its own ("Individual") or with other participants ("Joint").

Category:

Check the appropriate box noting that this is a Single Purpose Project -- involving one activity only, or a Multi-Purpose Project -- involving two or more activities.

Use of Funds:

Check as many boxes as are appropriate to list all the activities that are proposed to be undertaken. If a community has listed this proposal as a Single Purpose Project, then only one box can be checked-off in this section.

Grant Request:

List the requested MSCP funding levels for this project, including the total request.

AUTHORIZATION

Signature:

Signature of the Chief Elected Official responsible for signing all grant documents.

Typed Name:

Name of the Chief Elected Official authorized to submit this application.

Title:

Formal title of the office held by the Chief Elected Official.

Phone Number:

List the office phone number of the Chief Elected Official.

FY 1988 GENERAL FUND
MASSACHUSETTS SMALL CITIES PROGRAM

JOINT APPLICATION AUTHORIZATION

Community: _____

Typed Name of Chief Elected Officer

Signature of Chief Elected Officer

Title

Community: _____

Typed Name of Chief Elected Officer

Signature of Chief Elected Officer

Title

Community: _____

Typed Name of Chief Elected Officer

Signature of Chief Elected Officer

Title

Community: _____

Typed Name of Chief Elected Officer

Signature of Chief Elected Officer

Title

Community: _____

Typed Name of Chief Elected Officer

Signature of Chief Elected Officer

Title

FY 1988 GENERAL FUND
 MASSACHUSETTS SMALL CITIES PROGRAM
 COMMUNITY PROFILE DATA SHEET

GENERAL NEEDS INDICATORS

Community-Wide	Target Area
Population:	Population:
Number of Households:	Number of Households:
Number of Low-Mod Households:	Number of Low-Mod Households:
Percent of Low-Mod Households:	Percent of Low-Mod Households:
Number of Families Below Poverty:	Number of Families Below Poverty:
Percent of Families Below Poverty:	Percent of Families Below Poverty:
Number of Minorities:	Number of Minorities:
Percent of Minorities:	Percent of Minorities:
Number of Female-Headed Households:	Number of Female-Headed Households:
Percent of Female-Headed Households:	Percent of Female-Headed Households:
Median Income:	Median Income:
Per Capita Income:	Per Capita Income:
Unemployment Rate:	Unemployment Rate:

HOUSING NEEDS INDICATORS

Community-Wide	Target Area
Number of Housing Units:	Number of Housing Units:
Number of Rental Units:	Number of Rental Units:
Percent of Rental Units:	Percent of Rental Units:
Number of Owner-Occupied Units:	Number of Owner-Occupied Units:
Percent of Owner-Occupied Units:	Percent of Owner-Occupied Units:
Number of Vacant Units:	Number of Vacant Units:
Vacancy Rate:	Vacancy Rate:
Median Contract Rent:	Median Contract Rent:
Number of Substandard Units:	Number of Substandard Units:
Percent of Substandard Units:	Percent of Substandard Units:
SOURCE:	SOURCE:

COMMUNITY PROFILE DATA SHEET INSTRUCTIONS

The Community Profile Data Sheet offers a summary of major statistical need indicators in any community. The purpose of the Data Sheet is to provide information which can then be used to compare the relative levels of need of all applicants. Information contained on this page should not be substituted for the narrative description of an applicant's need or special characteristics, but rather should be used to support and complement the narrative.

General Needs Indicators (complete for all applicants)

(A) Community-Wide

Two U.S. Census Bureau publications will supply to bulk of the required information for most communities. These publications are PC80-1-B23 (General Population Characteristics) and PC80-1-C23 (General Social and Economic Characteristics). For communities with populations of less than 2,500 people, the above publications will not be useful. These towns should refer to U.S. Census Summary Tape File (STF) 3A for the required data.

For the Unemployment Rate Indicator, the 1988 Annualized rate for the community should be used. This can be received from the Division of Employment Security, Economic & Analysis Service, Hurley Building, Boston, MA 02202 (617) 727-6531.

(B) Target Area

For the corresponding information on General Needs Indicators for a target area, the following sources should be used: U.S. Census publication PHC80-2 (Population and Housing Census Tracts) for communities located within an metropolitan statistical area; STF 3A for those not listed in the first publication; or for those communities participating in the Neighborhood Statistics Program, the data that has already been sent to the local contact person in each community from the U.S. Census Bureau.

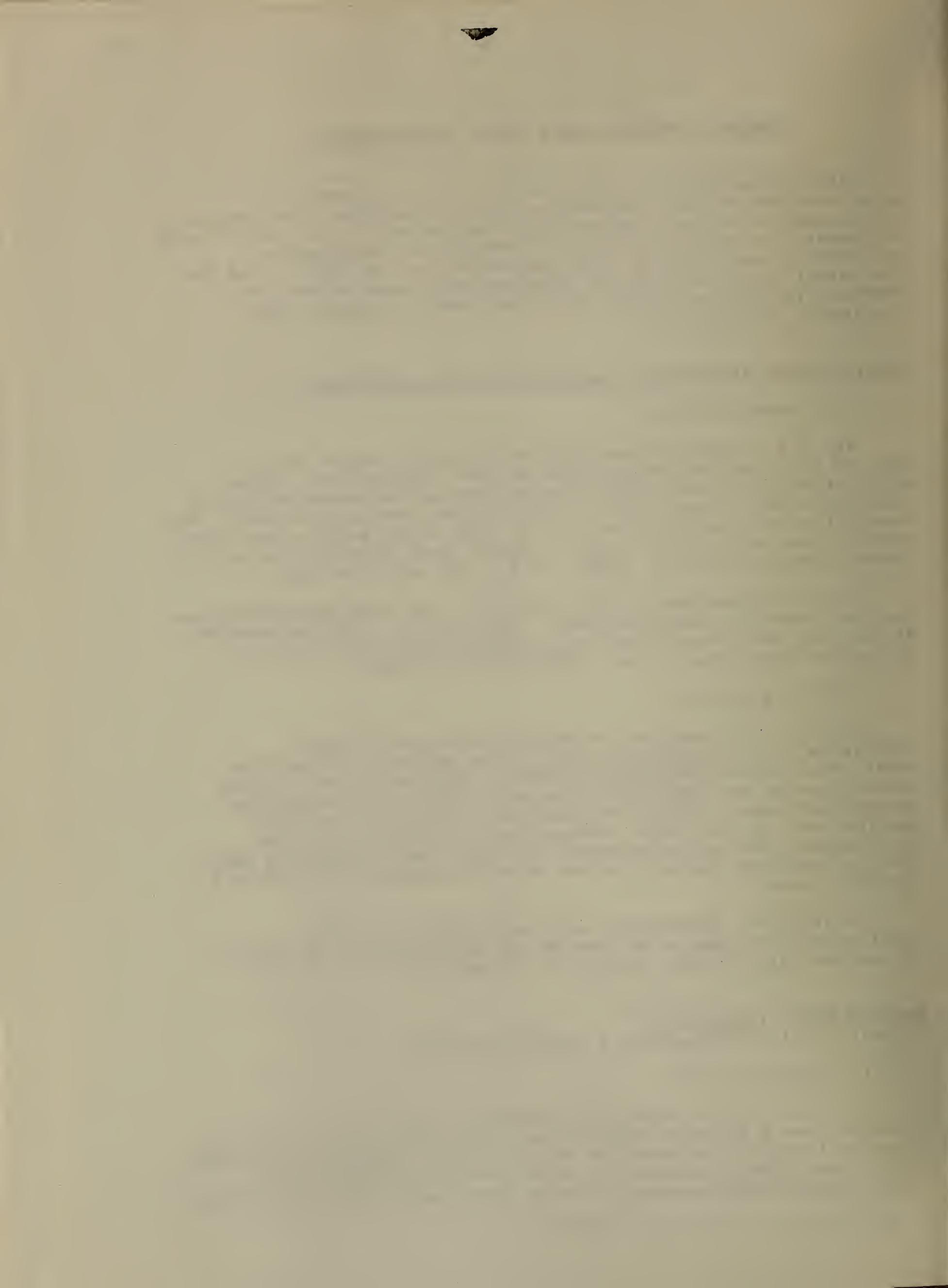
In addition, communities are encouraged to utilize local surveys to update or provide any missing data, so long as the methodology of such surveys is documented.

Housing Needs Indicators

(complete only if proposing a housing program)

(A) Community-Wide

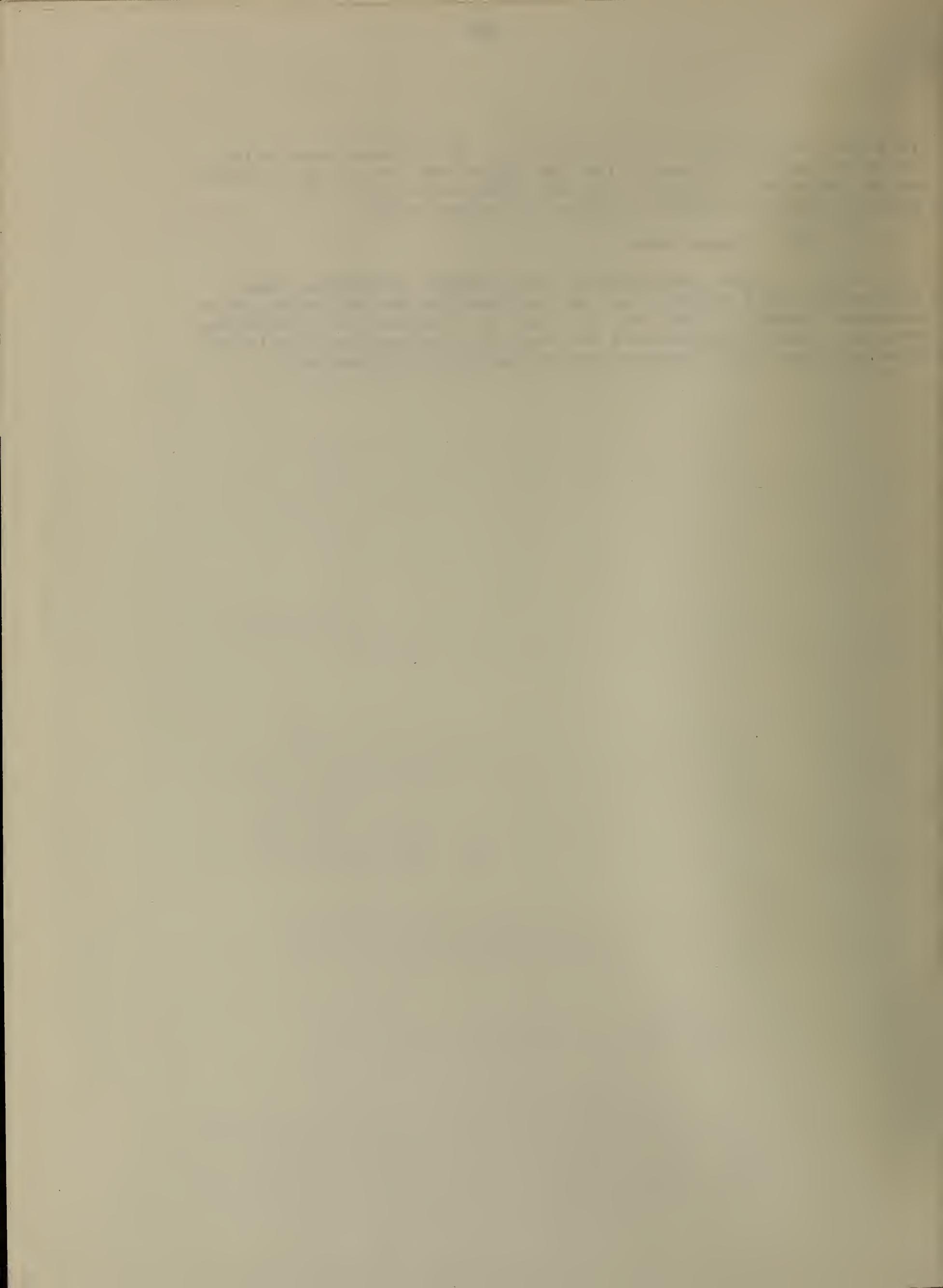
The bulk of this required information can be obtained from U.S.Census publication HC80-1-A23 (General Housing Characteristics). Information on Substandard Housing Units should be obtained from local surveys which use as a definition of "substandard" the presence of one or more major code violations



in a unit of housing (if available), or from Census data using "lack of complete plumbing for the exclusive use of the occupant" as an indicator. (Census data for substandard units will generally not be truly reflective of actual need).

(B) Target Area

The corresponding information of Housing Needs Indicators for a target area can be found in the following three sources: PHC80-2; STF 3A; or from the Neighborhood Statistics Program. Again, Substandard Housing Unit information should be obtained from local surveys, which should be documented.



PROGRAM IMPLEMENTATION SCHEDULE

FY 1988 GENERAL FUND

PROGRAM ACTIVITIES	GRANT PERIOD														
	1 st Quarter			2 nd Quarter			3 rd Quarter			4 th Quarter			5 th Quarter		
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
ACQUISITION/DEMOLITION															
- Appraisals Received															
- Purchase and Sale /Option Executed															
- Property Acquired															
- Site Work Begun															
- Site Work Completed															
HOUSING REHABILITATION															
- Number of verified/approved units															
- Number of units out-to-bid															
- Number of units which have begun construct.															
- Number of completed units															
COMMERCIAL/ECONOMIC DEVELOPMENT															
o <u>Sign Program</u> (Distinct from Facade Program)															
- Number of verified/approved signs															
- Number of sign projects out-to-bid															
- Number of sign projects which have begun construction															
- Number of completed sign projects															
o <u>Facade Program</u>															
- Number of verified/approved facades															
- Number of facades out-to-bid															
- Number of facades which have begun const.															
- Number of completed facades															

PROGRAM IMPLEMENTATION SCHEDULE

FY 1988 GENERAL FUND

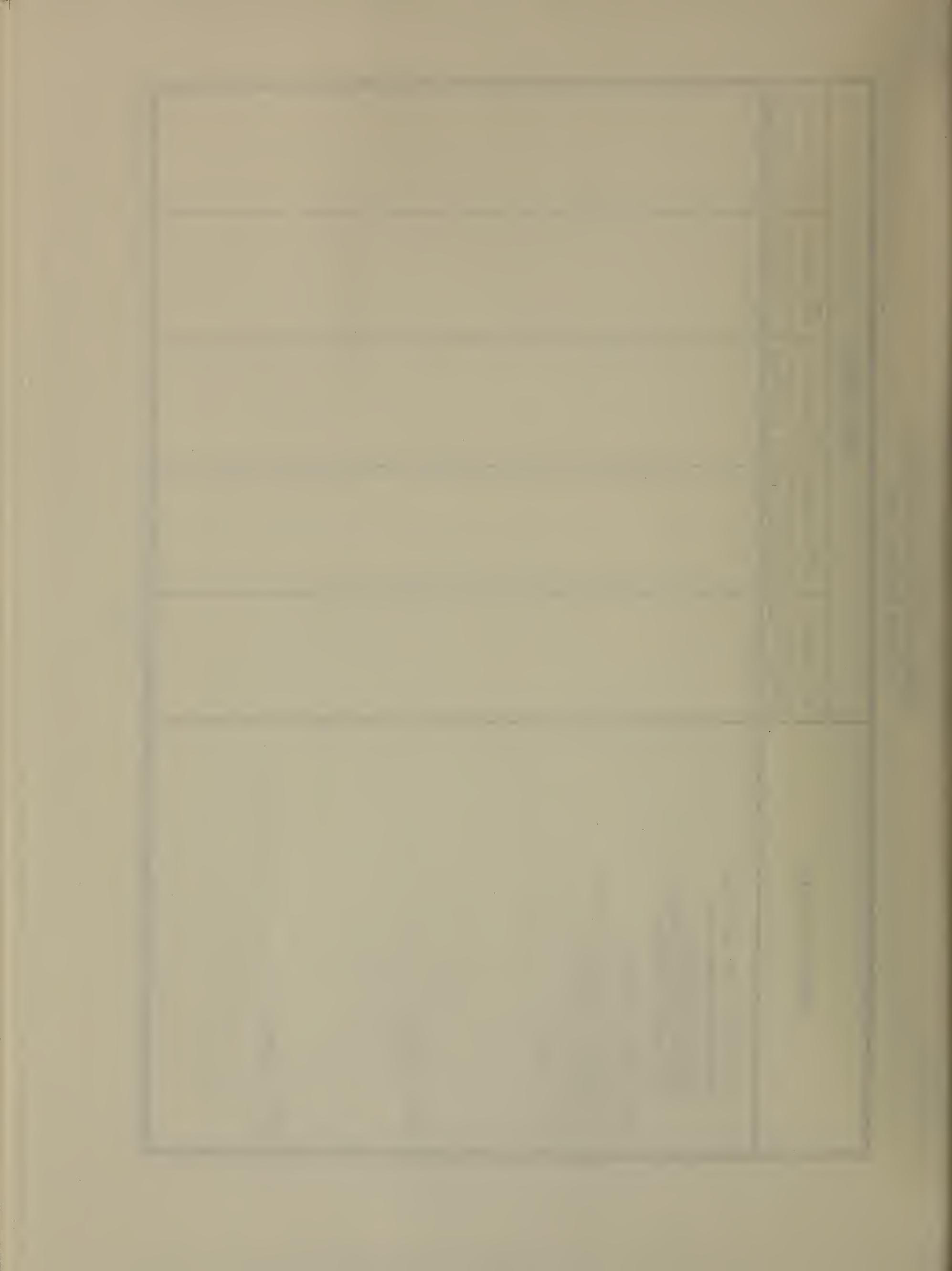
PROGRAM ACTIVITIES	GRANT PERIOD														
	1 st Quarter			2 nd Quarter			3 rd Quarter			4 th Quarter			5 th Quarter		
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
o Commercial Renovation															
- Number of verified/approved units															
- Number of units out-to-bid															
- Number of units which have begun const.															
- Number of completed commercial projects															
o Industrial Loans															
- Number of verified/approved ind. loans															
- Number of projects out-to-bid															
- Number of projects which have begun const.															
- Number of completed projects															
PUBLIC FACILITIES/ INFRASTRUCTURE IMPROVEMENTS															
o Project #1: (Name)															
- Financing package complete															
- Design/Eng. RFP advertised															
- Design/Eng. award made															
- Design/Eng. completed															
- Construction RFP advertised															
- Construction award made															
- Construction start															
- Construction 50% complete															
- Construction complete															
o Project #2: (Name)															
- Financing package complete															
- Design/Eng. RFP advertised															
- Design/Eng. award made															
- Design/Eng. completed															

MASSACHUSETTS SMALL CITIES PROGRAM

PROGRAM IMPLEMENTATION SCHEDULE

FY 1988 GENERAL FUND

PROGRAM ACTIVITIES	GRANT PERIOD														
	1 st Quarter			2 nd Quarter			3 rd Quarter			4 th Quarter			5 th Quarter		
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
C	- Construction RFP advertised														
	- Construction award made														
	- Construction begun														
	- Construction 50% complete														
	- Construction complete														
SOCIAL/PUBLIC SERVICES															
	- Subgrantee contracts executed														
	- Subgrantee monitored														
OTHER: (Name)															
OTHER: (Name)															
OTHER: (Name)															



PROGRAM IMPLEMENTATION SCHEDULE INSTRUCTIONS

The Implementation Schedule included in the application will be appended to the grant agreement and become the basis upon which performance will be measured during the year. Preparation of a complete and feasible Schedule will benefit the competitive rating of the application, and will also facilitate the prompt implementation of the grant program. Similarly, a poorly designed Implementation Schedule will be counted against an applicant. For planning purposes, the FY 1988 grant period will start in November 1988 and end in January 1990.

In order to have information that can be compared for all applicants, major milestones have been listed for each primary activity. At a minimum, each of these milestones must be completed. Applicants may provide additional information should they so choose, although it is not required.

Should an applicant propose an activity that is not contained on this form, it should be listed at the end of this Schedule and milestones developed as appropriate. Any activity that is not shown on this Schedule will not be considered for funding.

Opposite each activity listed, chart an appropriate timeline on the 15-month (5 quarter)scale shown. Use an "X" to mark single events, such as a construction start. Use a line to suggest ongoing activities. Chart each milestone individually. Do not show a continuous line of activity from grant start to grant close for each activity. Sufficient detail must be provided to allow progress to be measured over the course of the year.

A separate Schedule should be prepared for the second year of a multi-year proposal. The FY 1989 grant period will similarly run from November 1990 thru January 1991.

FY 1988 GENERAL FUND
MASSACHUSETTS SMALL CITIES PROGRAM

ENVIRONMENTAL ASSESSMENT FORM

(Consult 24 CFR 58 before completing this form)

PRELIMINARY ASSESSMENT

PUBLIC NOTICE PROCEDURE

Request for Release of Funds (RROF)

Finding of No Significant Impact (FONSI)

Combined Notice

Continuation of Previously Cleared Activities

Activities which will occur in a floodplain or wetland (100 Yr.) or which will affect historically significant resources may require additional public notice.

ENVIRONMENTAL REVIEW INSTRUCTIONS

Each applicant is required to undertake a preliminary environmental assessment of its proposed project activities. Prior to completing this form, applicants should become familiar with the federal Environmental Review Procedures contained in 24 CFR Part 58. Communities do not need to complete a full assessment at this time, but merely fill out this form as described below. The form itself contains two sections. The first asks for a categorization of proposed activities by review standards, while the second seeks an indication from the applicant as to which public notice procedure will likely be used.

Preliminary Assessment

Activity: Each major activity proposed to be funded with MSCP resources should be listed separately on the lines provided. This should include only major activities such as housing rehabilitation, sewer project, commercial renovations, etc.

Assessment: For each activity listed in this section the applicant should check one of the categories listed in this section. Every activity must contain such an assessment, but none should have more than one.

Public Notice: The applicant should check which public notice procedure will be used for this project based on the above assessment. This does not mean that the notice procedure must be completed before the proposal is submitted, but simply which type of notice is anticipated.

In planning for start-up of their programs, applicants should keep in mind that the public notice requirements associated with Environmental Review will entail at least a thirty (30) day period.

The community may determine that a previously undertaken Environmental Review is relevant to the present program if certain criteria are met. The criteria include:

- The activities are substantially the same as those cleared by the previous environmental review.
- The target area is the same as that reviewed under the previous environmental review.
- The community has not suffered a gap in funding and has continuous fiscal year grants (i.e. FY 1986 - FY 1987).

FY 1988 GENERAL FUND
MASSACHUSETTS SMALL CITIES PROGRAM
LUMP SUM DRAW-DOWN STATEMENT

Amount of Lump Sum Draw-Down authority requested: \$ _____
(Indicate only amount of MSCP Program Funds involved)

Reason for seeking Lump Sum Draw-Down Approval:

Activities to be undertaken with funds:

Benefits projected from Lump Sum Draw-Down (amount of private funds or services leveraged, etc.)

Status of negotiations with financial institutions:

(Attach drafts of agreements or letters of understanding if available).

INSTRUCTIONS FOR LUMP SUM DRAW-DOWN STATEMENT

Amount of Lump Sum Draw-Down authority requested:

Indicate the amount of MSCP Program funds to be involved. Please note that a grantee will not be allowed to draw-down administration funds as part of its Lump Sum Agreement. In the other sections of this Statement, briefly describe the status of your planning/negotiations towards a Lump Sum Draw-Down Agreement. If possible, quantify in dollars the benefits which the Lump Sum Agreement is expected to produce, as currently conceived by the applicant.

If a community has already agreed to some basic principles of the Lump Sum Agreement with local financial institutions, or even completed a draft agreement, plus include copies or summaries of such.

As indicated earlier in this RFP, communities who will be administering a private rehabilitation program activity for the first time will generally be prohibited from utilizing a Lump Sum Draw-Down (LSDD) Second, those applicants who seek to execute a LSDD must indicate their desire by completing this form.

FY 1988 GENERAL FUND
MASSACHUSETTS SMALL CITIES PROGRAM

COMPLIANCE WITH STATE OBJECTIVES FORM

STATE OBJECTIVE COMPLIANCE

Community: _____

Project Name: _____

State Objective Number: _____

Name: _____

Narrative

STATE OBJECTIVE COMPLIANCE INSTRUCTIONS

This form has been designed to allow the applicant to demonstrate that the proposed project is in compliance with the State Objectives governing the operation of the Massachusetts Small Cities Program. In the space provided, applicants should briefly document compliance with the objectives summarized below.

State Objectives

According to the FY 88 MSCP Program Statement, the entire program that is being proposed for MSCP funding must meet one of the State Objectives designed for the program. The applicant should identify which State Objective its program addresses and provide a brief narrative of the relationship this objective has with the program. The State Objectives are:

(1) Municipal Development - promote the physical and economic revitalization and development of the central core of the state's cities and towns by renovating their infrastructure and facilities.

(2) Neighborhood Development - encourage neighborhood stabilization and revitalization, and work with local and community-based organizations to meet the needs of low and moderate income people through projects aimed at providing direct benefits and support.

(3) Economic Opportunity - support economic development projects (in commercial, industrial, or other sectors) that lead to the creation or retention of jobs for the community, or the stabilization of a particular sector of a local economy, and the leveraging of significant private investment.

(4) Housing Access - provide direct support to projects that benefit low and moderate income people and increase their ability to gain access to suitable housing units at affordable rents.

(5) Elimination of Barriers - provide services and assistance to disadvantaged groups or other individuals in need (particularly the handicapped, the elderly, minorities and other low income persons) in order that such individuals can attain a greater degree of self-sufficiency and can take greater advantage of the opportunities available for improving the quality of their lives.

FY 1988 GENERAL FUND
MASSACHUSETTS SMALL CITIES PROGRAM
NATIONAL OBJECTIVE COMPLIANCE FORM

NAT'L. OBJECTIVE: BENEFIT TO LOW AND MODERATE INCOME PEOPLE

Activity: _____

Activity: _____

Activity: _____

FY 1988 GENERAL FUND
MASSACHUSETTS SMALL CITIES PROGRAM

NATIONAL OBJECTIVE COMPLIANCE FORM

NATIONAL OBJECTIVE: PREVENTION OR ELIMINATION OF SLUMS OR BLIGHT

Activity: _____

Activity: _____

Activity: _____

FY 1988 GENERAL FUND
MASSACHUSETTS SMALL CITIES PROGRAM

NATIONAL OBJECTIVE COMPLIANCE FORM

NATIONAL OBJECTIVE: CRITICAL COMMUNITY NEED

Activity: _____

Activity: _____

Activity: _____

NATIONAL OBJECTIVE COMPLIANCE INSTRUCTIONS

On the three forms that precede these instructions, applicants will be asked to justify their request for Small Cities funds in light of one of the three National Objectives of the Program. In accordance with federal regulations, each activity that is funded with MSCP funds must meet one National Objective. This differs from the State Objectives, where the entire program must meet one State Objective.

In the space provided on these forms, applicants should present information that is consistent with the requirements for each Objective detailed below. Applicants should select only one Objective for each activity. Applications will not gain competitive advantage if evidence is presented that the proposed activity meets more than one Objective.

Each activity should be identified in the space provided at the beginning of each section, with the narrative following. Applicants need not use additional space other than that which is provided; this is simply a preliminary assessment.

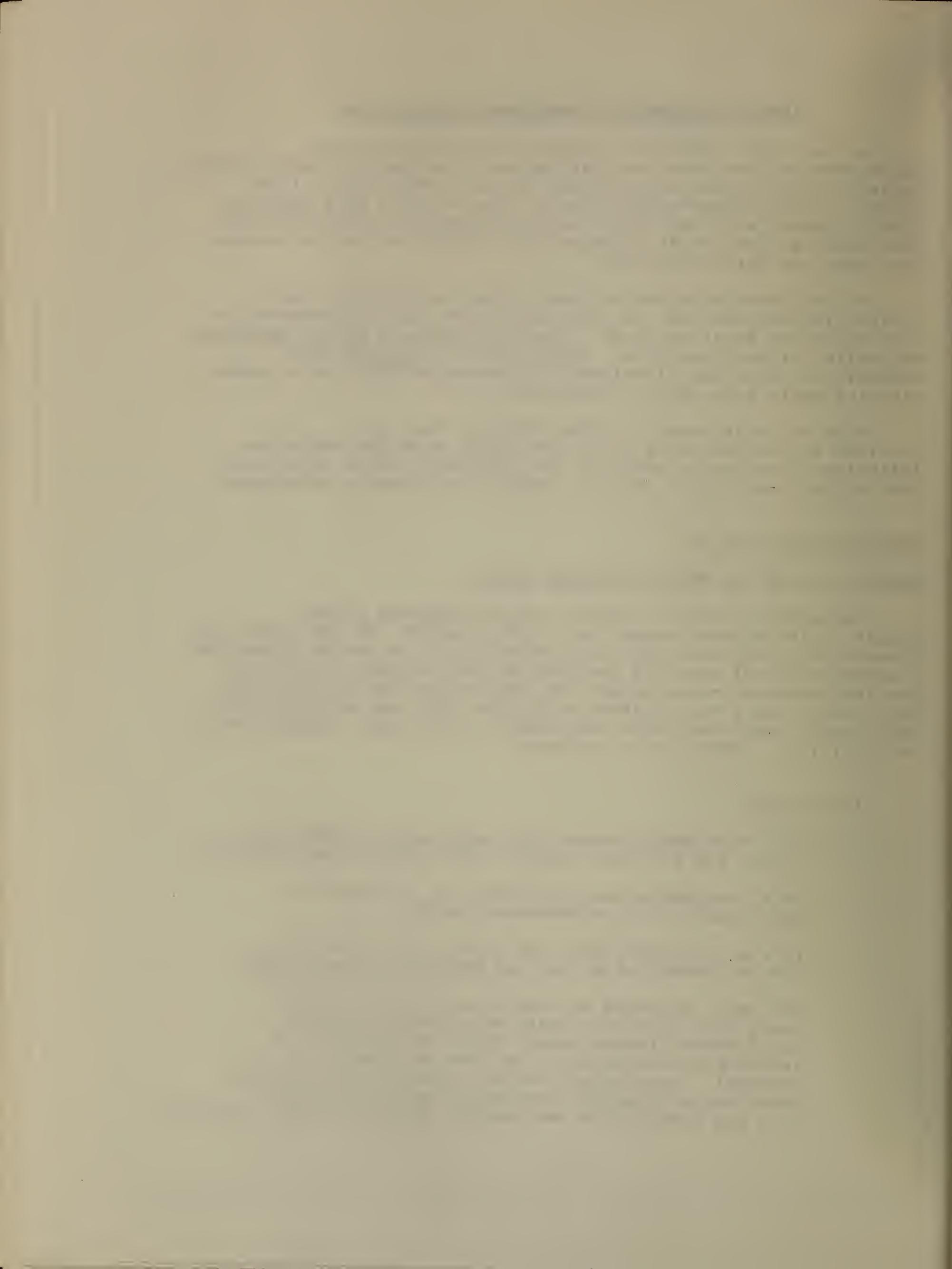
National Objective #1

Benefit to Low and Moderate Income People

Using MSCP funds to benefit low and moderate income people is the primary objective of the Program. An applicant can demonstrate compliance with this objective if it can be shown that a majority of the benefits provided by the activity targeted to low and moderate income people, as defined by the regulations. Since there are many eligible activities that can be funded with MSCP funds, compliance with this Objective has been categorized by activity type. They are as follows:

(A) Housing

- In single-family homes, the unit must be inhabited by low and moderate income people after rehabilitation.
- In a two-family home, at least one unit must be inhabited by low and moderate people.
- In a multi-family home, at least 51% of the units must be inhabited by low and moderate income people.
- All units assisted with MSCP funds and justified under this objective, must be affordable to low and moderate income people (i.e. at rents not to exceed Fair Market Rents for the Section 8 Program). Only units that are available as defined above can be counted towards the applicants total "low and moderate income benefit analysis" form on page 51.



(B) Economic Development Activities

- Projects must be located in a neighborhood consisting of a majority (51% or more) of low and moderate income persons and provide job opportunities for such persons.
- Projects must involve facilities designed primarily for use by low and moderate income people (51% or more).
- Project must involve the employment of persons, the majority of which are low and moderate income.

(C) Areawide Activities

- Project must be carried out in an area where not less than 51% of the residents are low and moderate income, and benefit these people.

If an activity is being claimed as meeting the Low and Moderate Income National Objective, but it cannot be demonstrated to comply with one of the points noted above, then this Objective cannot be justified. In these cases, one of the other two Objectives must be selected.

National Objective #2

Prevention or Elimination of Slums or Blight

According to program regulations, an activity can be undertaken with MSCP funds if it is carried-out in an area that is considered "blighted" or a "slum" as defined by state statute. In Massachusetts, Chapter 121-A and 121-B of the Massachusetts General Laws outlines the determinations that must be made in order to declare an area a slum or blighted area. In order to comply with the MSCP regulations, the applicant need not go through the formal determination process outlined in the regulations. However, it should present a narrative discussion demonstrating compliance in light of the statute.

Appendix II of the RFP contains excerpts from this statute that are relevant to this discussion. Applicants should justify their projects in light of the following definitions: blighted open area under 121-A; blighted open area under 121-B; decadent area under 121-B; and substandard area under 121-B.

This documentation must be presented for each activity for which funds are requested, and the project must address the slum or blighted conditions directly.

National Objective #3:

Critical Community Needs

The third National Objective is Critical Community Needs. This Objective has been made subordinant to the other two Objectives and should be selected by the applicant only when neither of the other two are appropriate.

According to MSCP requirements, this Objective can be chosen only when the following issues are present:

- (1) the existing condition poses a serious threat to the health or welfare of the community.
- (2) the condition must have occurred, or have been evidenced, within the past 18 months.
- (3) there cannot be any other financial resources available to meet these needs.

In order to demonstrate compliance with this Objective, all three of the above criteria must be met. As a result, this Objective is rarely chosen by successful applicants. However, should a situation arise that would warrant such a determination, the applicant should present information that is sufficient to document the problem.

FY 1988 GENERAL FUND

MASSACHUSETTS SMALL CITIES PROGRAM

LOW AND MODERATE INCOME BENEFIT ANALYSIS

NON-HOUSING ACTIVITIES

Activity	Location of Project	Percent of Low-Mod	Budget Allocation
TOTALS	XXXXXXXXXXXXXX	XXXXXXX	

HOUSING REHABILITATION/DEVELOPMENT ACTIVITIES

Activity	Number of Units	Number Low-Mod	Percent of Low-Mod	Budget Allocation	Low-Mod Budget
TOTALS					
	XXXXXX	XXXXXXX	% Low-Mod X Budget Allocation = Low-Mod Budget		

TOTAL LOW - MOD BENEFIT

\$	+	\$	÷	\$	=
Non-Housing Activities (Total Low-Mod Budget)		Housing Activities (minus Cen. Ad.)		Total Request	Low-Mod Benefit

LOW AND MODERATE INCOME BENEFIT ANALYSIS

To Be Completed for any program activity which meets only the National Objective: Benefit to Low and Moderate Income people. Program activities which claim removal of Slums and Blight or Critical Need should not be added to this form.

Massachusetts must certify that at least 60% of the money that it receives for the Small Cities Program must be used to benefit low and moderate income people during the 1988 - 1990 federal fiscal years. As a result, communities that select the "benefit to low and moderate-income people" National Objective as the criteria for national compliance for any proposed activity, must evaluate the extent of that benefit at the time of their application for MSCP funds. This form is designed to measure that benefit in terms of overall budget allocation.

Non-Housing Activities

Any non-housing activity (e.g. commercial renovation, infrastructure, public services, etc.) can be said to meet this objective if it can document that one of the following three criteria have been met: (1) that the neighborhood or target area as proposed is predominantly inhabited -- 51% or more -- by low and moderate income people and that the services provided are used by low and moderate-income people; (2) that the facilities that will be developed will be used primarily by low and moderate income people; or (3) that employment opportunities will be generated, 51% of which will be available to low and moderate income people.

The following information is required for all non-housing activities:

Activity:

List each major activity separately (e.g. commercial renovation parks, street and sidewalks, etc.). General administrative costs should not be listed on this form. Program administrative expenses can be incorporated into this activity.

Location Project:

Give the location where the activity will be carried out. If there is no target area, list "Town/City-wide". If there is a target area, list the name of that area.

Percent of Low-Mod:

List the percent of the area's population that has been documented as being of low and moderate income or the percentage of low mod people who will be served by the facility.

Budget Allocation:

Enter the total amount of funds requested for this activity. This figure should include both program and directly-related administrative expenses.

For example, architectural services, related legal expenses, and engineering services can be considered program administrative expenses. Those expenses should be included in the total program costs when calculating each activity's low and moderate income benefit.

(Do not multiply the "percentage of low and mod" time "Budget Allocation". The total dollar amount budgeted for each program activity should be entered.)

Totals:

Sum the individual budget allocations for each non-housing activity.

Housing Rehabilitation/Development Activities

Any housing activity (rehabilitation, weatherization, unit creation site development) can satisfy this National Objective if it meets the following criteria: (1) if the unit, after rehabilitation, will be inhabited by low and moderate income people; (2) if, in all multi family structures, those units proposed to be inhabited by low and moderate income people are available at affordable rents (as defined as not exceeding area Fair Market Rents for the Section 8 Program); and (3) that only those units that will be available to low and moderate-income people are counted towards the total budget allocation in measuring impact. Refer to page 48 regarding the federal low and moderate income standards when rehabilitating residential structures.

The following information is required of all housing related activities:

Activity:

List each major housing activity that will be undertaken (e.g. rehabilitation, creation, site development, etc.).

Number of Units:

For each activity, list the total number of units that will be rehabilitated during the program period.

Number of Low Mod:

Give the number of units that will be inhabited or available at affordable rents to low and moderate income people upon completion of the work.

Percent of Low Mod:

Divide "Number Low Mod" by "Number of Units" and express result as a percentage.

Budget Allocation:

Enter the total budget amount requested for this activity. This should include program money and directly-related administrative expenses such as rehabilitative services.

Low Mod Budget:

Multiply "Budget Allocation" by "Percent of Low Mod" to determine the amount of funds that will benefit low and moderate income people.

Totals: Sum the individual columns of information as appropriate.

Total Low Mod Benefit

Non Housing Activities:

Give the total amount of funds requested for non housing activities that will benefit low and moderate income people.

Housing Activities:

List the total low mod budget, as derived above, for all housing activities that will benefit low and moderate-income people.

Total Request:

Add the first two figures above and divide by the total MSCP budget request to be used for program purposes (this should be derived from the total request minus general administrative expenses).

Low Mod Benefit:

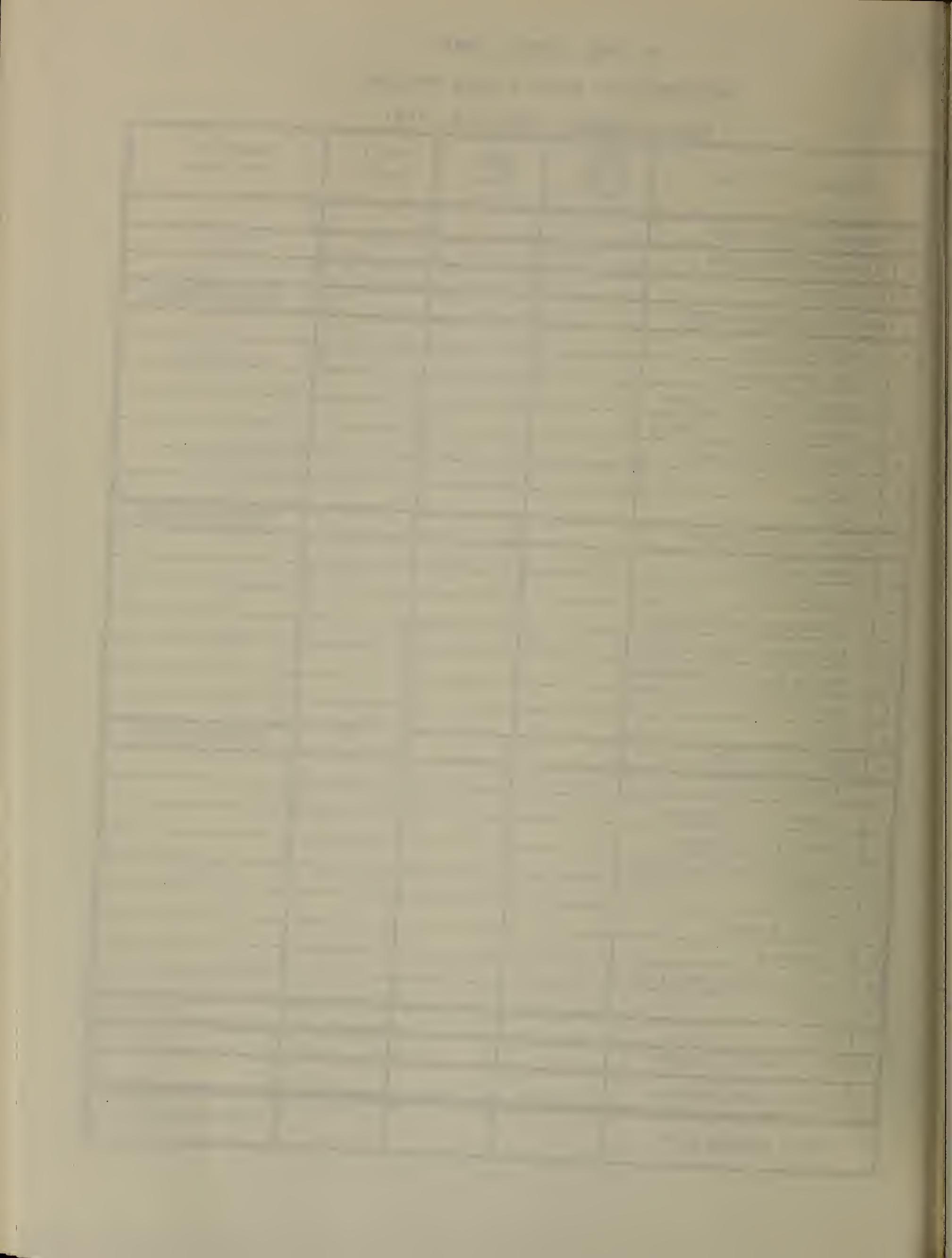
Enter the percentage of funds that will be used to benefit low and moderate income as a result of all proposed activities.

FY 1988 GENERAL FUND

MASSACHUSETTS SMALL CITIES PROGRAM

BUDGET SUMMARY SHEET (FY 1988)

Program Activities		Small Cities Funds	Other Funds	Total Costs	Source of Other Funds
1	PROPERTY ACQUISITION				
2	CLEARANCE/DEMOLITION				
3	RELOCATION				
4	HOUSING REHABILITATION				XXXXXXXXXXXXXX
a	Administration				
b	Unit Development				
c	Rehabilitation - Loans				
d	Rehabilitation - Grants				
e	Housing Counseling				
f	Other				
g	Other				
5	ECONOMIC DEVELOPMENT				XXXXXX
a	Administration				
b	Acquisition				
c	Commercial Improvements				
d	Industrial Improvements				
e	Public Fac. Improvements				
f	Non-Profits				
g	Other				
6	PUBLIC FACILITIES				XXYYYYYYYYXXXXX
a	Administration				
b	Streets & Sidewalks				
c	Parks & Recreation				
d	Neighborhood Facilities				
e	Parking				
f	Water & Sewer				
g	Drainage				
h	Architectural Barriers				
i	Other				
7	OTHER				
8	PUBLIC/SOCIAL SERVICES				
9	GENERAL ADMINISTRATION				
TOTAL PROGRAM COSTS					XXXXXXXXXXXXXX



FY 1989 GENERAL FUND

MASSACHUSETTS SMALL CITIES PROGRAM

BUDGET SUMMARY SHEET (FY 1989)

Program Activities		Small Cities Funds	Other Funds	Total Costs	Source of Other Funds
1	PROPERTY ACQUISITION				
2	CLEARANCE/DEMOLITION				
3	RELOCATION				
4	HOUSING REHABILITATION				XXXXXXXXXXXXXX
a	Administration				
b	Unit Development				
c	Rehabilitation - Loans				
d	Rehabilitation - Grants				
e	Housing Counseling				
f	Other				
g	Other				
5	ECONOMIC DEVELOPMENT				XXXXXXXXXXXXXX
a	Administration				
b	Acquisition				
c	Commercial Improvements				
d	Industrial Improvements				
e	Public Fac. Improvements				
f	Non-Profits				
g	Other				
6	PUBLIC FACILITIES				XXXXXXXXXXXXXX
a	Administration				
b	Streets & Sidewalks				
c	Parks & Recreation				
d	Neighborhood Facilities				
e	Parking				
f	Water & Sewer				
g	Drainage				
h	Architactural Barriers				
i	Other				
7	OTHER				
8	PUBLIC/SOCIAL SERVICES				
9	GENERAL ADMINISTRATION				
TOTAL PROGRAM COSTS					XXXXXXXXXXXXXX



BUDGET SUMMARY INSTRUCTIONS

This form will be used by the MSCP staff as a budgetary control device and to allow all projects to be evaluated on a comparable basis. Applicants should take care to ensure that all costs listed on the Budget Summary sheet correspond to the cost summaries detailed in the Project Narrative. Examples have been used below to illustrate the proper uses of this form.

Activities:

The categories listed in this column represent the major activities that an applicant is likely to undertake with Small Cities funds. Those categories preceded by a numeral (i.e. 1,2,3,...9) are the major components of an applicant's proposal, while those with a letter (i.e. a,b,c,...) are considered subsidiary activities of the same major functions. Since this is not an exhaustive listing of possible topics, the applicant should use the "other" line(s) as may be appropriate.

Small Cities Funds:

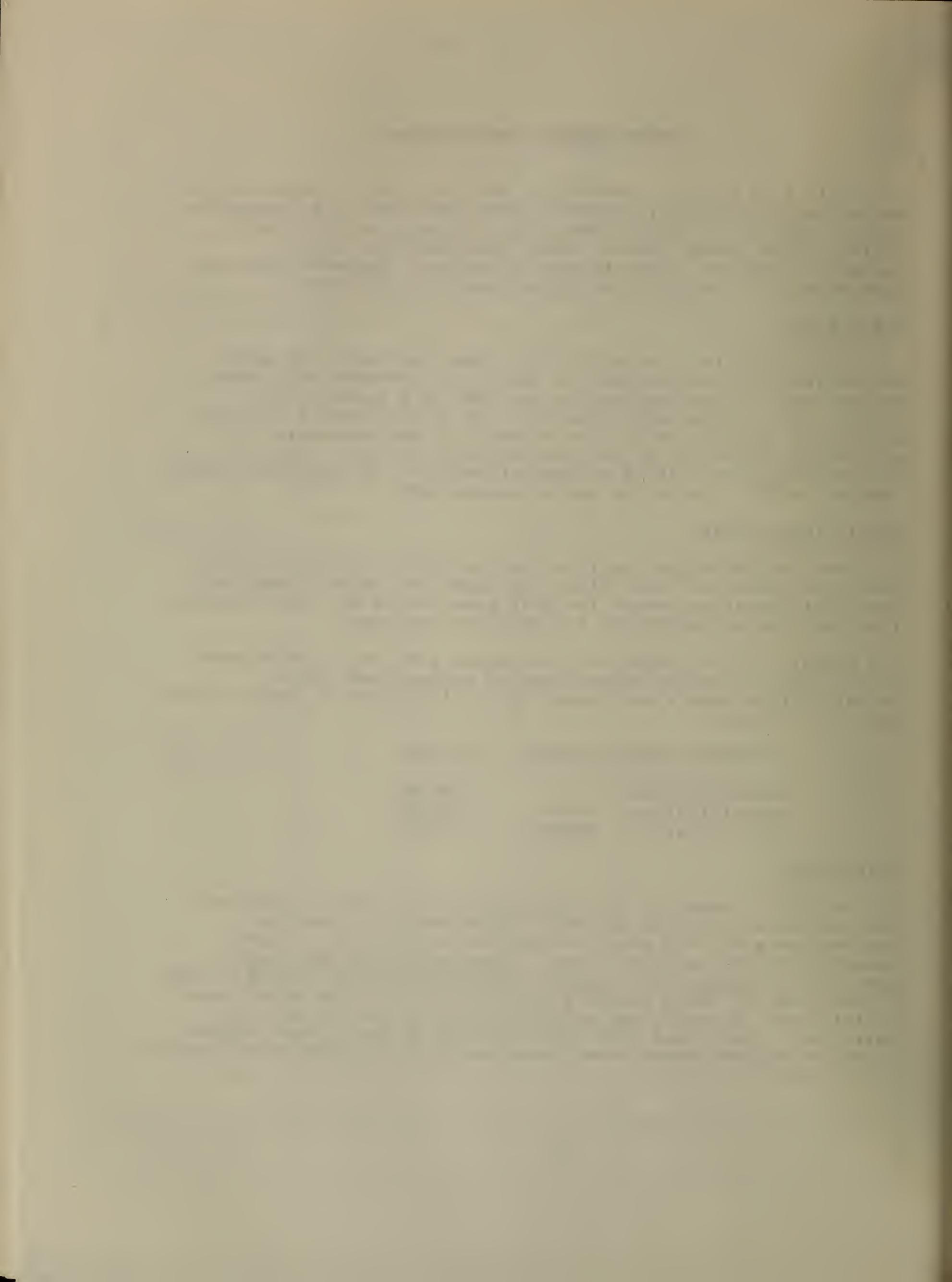
(1) List the individual costs of each activity to be undertaken. Since the "numbered" line items represent the major categories, the total amount requested for that area should be listed on that line, with subsidiary costs following as necessary.

(2) Example: If an applicant is seeking \$200,000 in MSCP funds to undertake a housing rehabilitation project made up of rehabilitation grants and loans, the following would apply for this particular column:

4 HOUSING REHABILITATION	\$200,000
Administration	18,000
Rehabilitation - Loans	107,000
Rehabilitation - Grants	75,000

Other Funds:

(1) The total amount of all other public and private resources that is being leveraged by Small Cities money, or used in conjunction with this grant to complete a particular project should be listed in this column. Only funds that have been committed as part of the specific project should be listed in this column, and not those monies previously spent in the area (these latter funds, however, may be referred to in the Project Narrative). Any other CDBG funds outside of the current request (such as program income from a previous grant) should be listed in this column.



(2) Example: If a bank is willing to commit \$100,000 of its own funds to match the rehabilitation loans being made above as part of the Small Cities project, the following would be appropriate for this column:

4 HOUSING REHABILITATION \$100,000

 Rehabilitation - Loans 100,000

(3) In those instances where more than one funding source makes up the commitment of "Other Funds" listed for a particular line item, the total amount should be listed on the appropriate line with an explanation of the breakdown attached to the Budget Summary Sheet; specifying the exact amount from each of the various sources involved.

Total Activity Costs

(1) The total of the amounts listed in the "Small Cities Funds" and "Other Funds" columns for each line item should be listed in this column.

(2) Example: Building upon the information represented in the above examples, the following set-up would be acceptable:

 4 Housing Rehabilitation \$300,000

 Administration 18,000
 Rehabilitation - Loans 207,000
 Rehabilitation - Grants 75,000

Source of Other Funds:

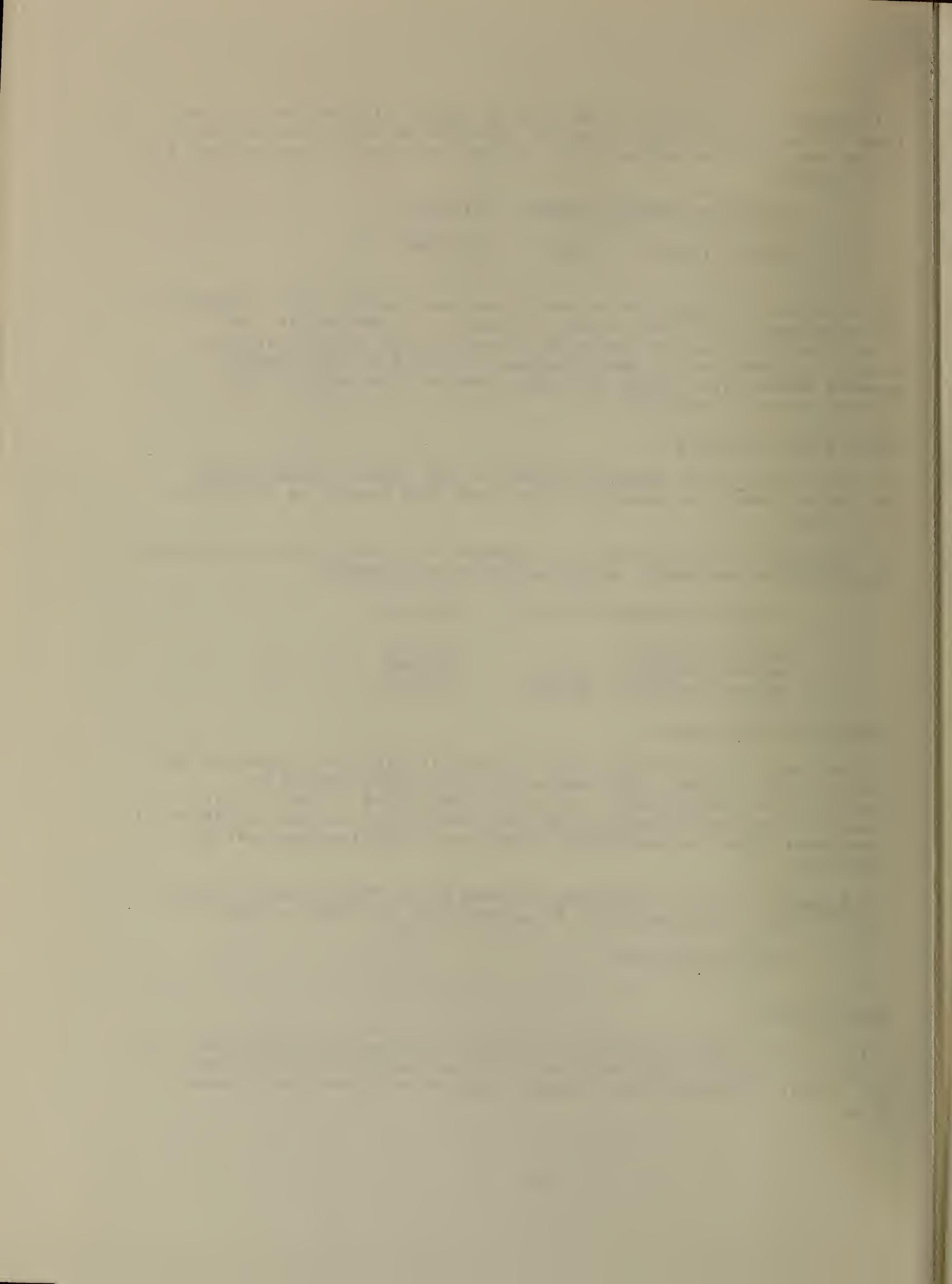
(1) For each line item for which an amount has been listed in the "Other Funds" column, the source of those funds should be indicated in this column. For each item listed in the "Other Funds" column and identified in the "Source..." column, a letter of commitment from the appropriate agency or organization must be submitted.

(2) Example: For the \$100,000 claimed as an "Other Costs" in our example, the following would be appropriate for this column:

 Bank Commitment

Total Costs:

(1) The total line item costs of each of the major categories (i.e. 1, 2, 3, ...) in the "Small Cities Funds", "Other Funds", the "Total Activity Costs" columns should be summed and listed here.



FY 1988 GENERAL FUND

MSCP ADMINISTRATIVE COST BREAKDOWN - SALARY & FRINGE BENEFITS

PART A PERSONNEL/STAFF POSITIONS	4(a) Housing Rehab. Admin.	5(a) Econ. Devel. Admin.	6(a) Public Facil. Admin.	8 Public/ Social Serv. Admin.	9 General Admin.	OTHER	TOTAL
SALARY (by position):							
FRINGE BENEFITS (List individual components of fringe and amount attributable to each):							
TOTAL							

ADMINISTRATIVE COSTS BREAKDOWN INSTRUCTIONS

The Administrative Costs Breakdown Sheets will be used to evaluate how administrative funds will be used in the operation of the proposed program, as well as the quality of the applicant's management plan. It has been designed to be used in conjunction with the Budget Summary Sheet to detail general and program administrative costs.

This section is divided into two parts. Part A details salary and fringe benefits and Part B details non-salary costs. Applicants should be sure the information presented on these forms is consistent with that of the budget summary, staffing and management plan, and program description. The total MSCP funds identified in Parts A&B must agree with the corresponding budgeted activity on the Budget Summary Sheet. These forms may also serve an administering agency as a proposed cost allocation plan.

PART A: SALARY AND FRINGE BENEFITS

Salary (by position):

List all positions to be paid with MSCP funds. Along with each position, indicate whether full-time or part-time, and if the latter, how many hours per week.

In the associated columns, show the amount of salary for each position to be paid from the identified MSCP budget line items. If part of a position's salary will be paid from another source, identify such sources in the "other" columns provided.

Fringe Benefits:

At the bottom of Part A, list the individual components of fringe benefit costs and their cost rates (e.g., health insurance @ \$60/month/employee, etc.). In the columns, indicate the MSCP budget line items (or other funding sources) to which such costs will be charged.

Totals:

Sum and enter all "totals" across PART A for each position/fringe benefit category, and at the bottom of PART A for each column.

NON-PERSONNEL AND INDIRECT COST CATEGORIES	Housing ^{4(a)} Admin.	Econ. ^{5(a)} Rehab. Admin.	Econ. ^{5(a)} Admin.	Facil. ^{6(a)} Admin.	Public Services Admin.	General Admin.	OTHER	OTHER	TOTAL
DIRECT COSTS: Memberships, Pub., etc.	\$						\$	\$	\$
Training & Education									
Travel									
Accounting/disburse.	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx			
Legal Services									
Advertising									
Reprod. / Printing									
Communications									
Supplies & Materials									
Maintenance & Repairs									
Audit									
Data Processing									
Equipment									
Professional Services									
Application Preparation									
Other									
DIRECT COSTS - SUBTOTALS	\$	\$	\$	\$	\$	\$	\$	\$	\$
INDIRECT COST RATE (%)	%	%	%	%	%	%	%	%	%
INDIRECT COSTS (\$)	\$	\$	\$	\$	\$	\$	\$	\$	\$
GRAND TOTALS - PERSONNEL (PART A) & NON-PERSONNEL PART (B)	\$	\$	\$	\$	\$	\$	\$	\$	\$
% of Overall MSCP Request	%	%	%	%	%	%	%	%	%



PART B: NON-PERSONNEL AND INDIRECT COST CATEGORIES

Non-personnel costs consists of those sundry items needed in support of office-overhead and program operation. Those costs identified with an asterisk (*) have been classified as only General Administrative costs and can not be charged otherwise. The blank columns are to be used for those grantees who may be sharing costs with other grants, town funds or utilizing administering agencies. Administering agencies must show all sources of funding for both parts A & B. If additional columns are needed, copy an additional page and attach.

Membership, Publications, etc.:

Dues for professional associations and subscriptions relating to overall information and guidelines in administering a CDBG program.

Training and Education:

Conferences, seminars, etc. relating to the management of the grantees Small Cities Program.

Travel:

Mileage, parking, tolls charged by an employee when using their own car for overall management functions, or on-site inspections of MSCP activities. This may also include travel costs for conferences and seminars.

* Accounting, Disbursement Services:

Those services provided by an accounting firm to create and/or maintain accounting records for the grantee's program. Check writing, payroll service costs charged by banks.

Legal Services:

Attorneys fees for guidance relating directly to the grant program activities.

Advertising:

Publicized announcements relating to public hearings, procurement, hiring, and program outreach for a specific activity.

Reproduction/Printing:

Brochures, forms, photographs, etc. needed in either the promotion of or overall management of the grant program.

* Communications:

Telephone, postal, and messenger services.

Supplies and Materials:

General office supplies used in overall management of the program.

Maintenance and Repairs:

Those costs that are necessary for the upkeep of property but do not add to the permanent value or prolong the intended life of the property.

* Audit:

Single audits required to be performed on all federal funds at the recipient level, (excludes agency-level audits of sub-recipients) in accordance with OMB A-128.

Data Processing:

Lease or purchase of computer equipment or services. Please note prior approval is necessary before procurement process can be initiated.

Equipment:

Lease or purchase of general office equipment such as typewriters, desks, copiers, chairs, file cabinets, etc.

Professional Services:

Professional services rendered by individuals or organizations not a part of the grantee department administering the grant program.

* Application Preparation:

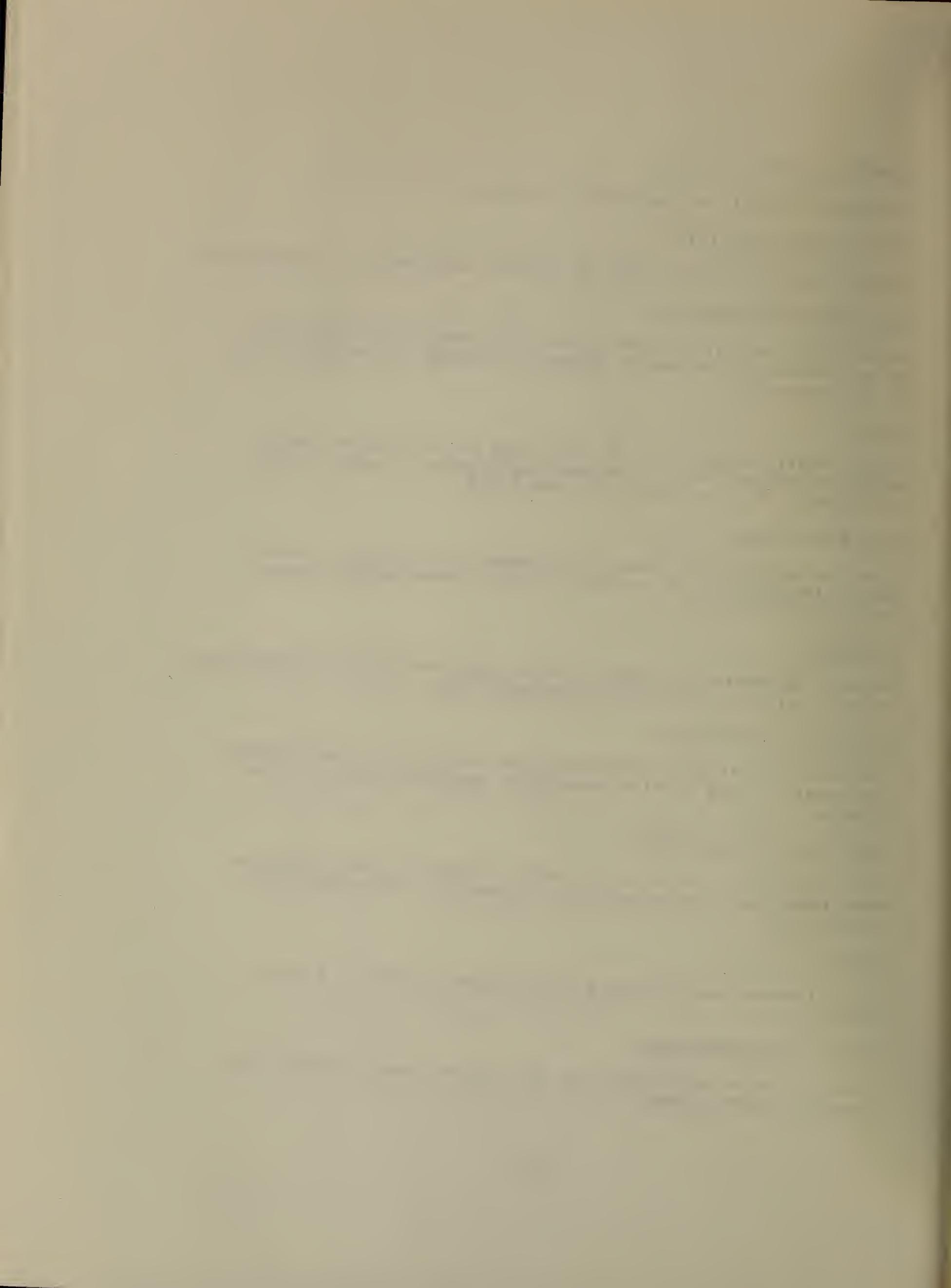
MSCP application preparation (NOTE: \$3,000 is the ceiling on MSCP funds that can be paid to a consultant for application preparation).

Other:

Miscellaneous costs related to the grant program. Please specify.

Direct Costs-Subtotals:

Please provide sub-totals for the non-personnel, direct cost items for each column.



Indirect Costs--Rate and Dollar Amount:

Indirect costs are shared costs for "overhead" that may be charged by a town or administering agency. These costs might consist of such items as office space, utilities, insurance, etc.

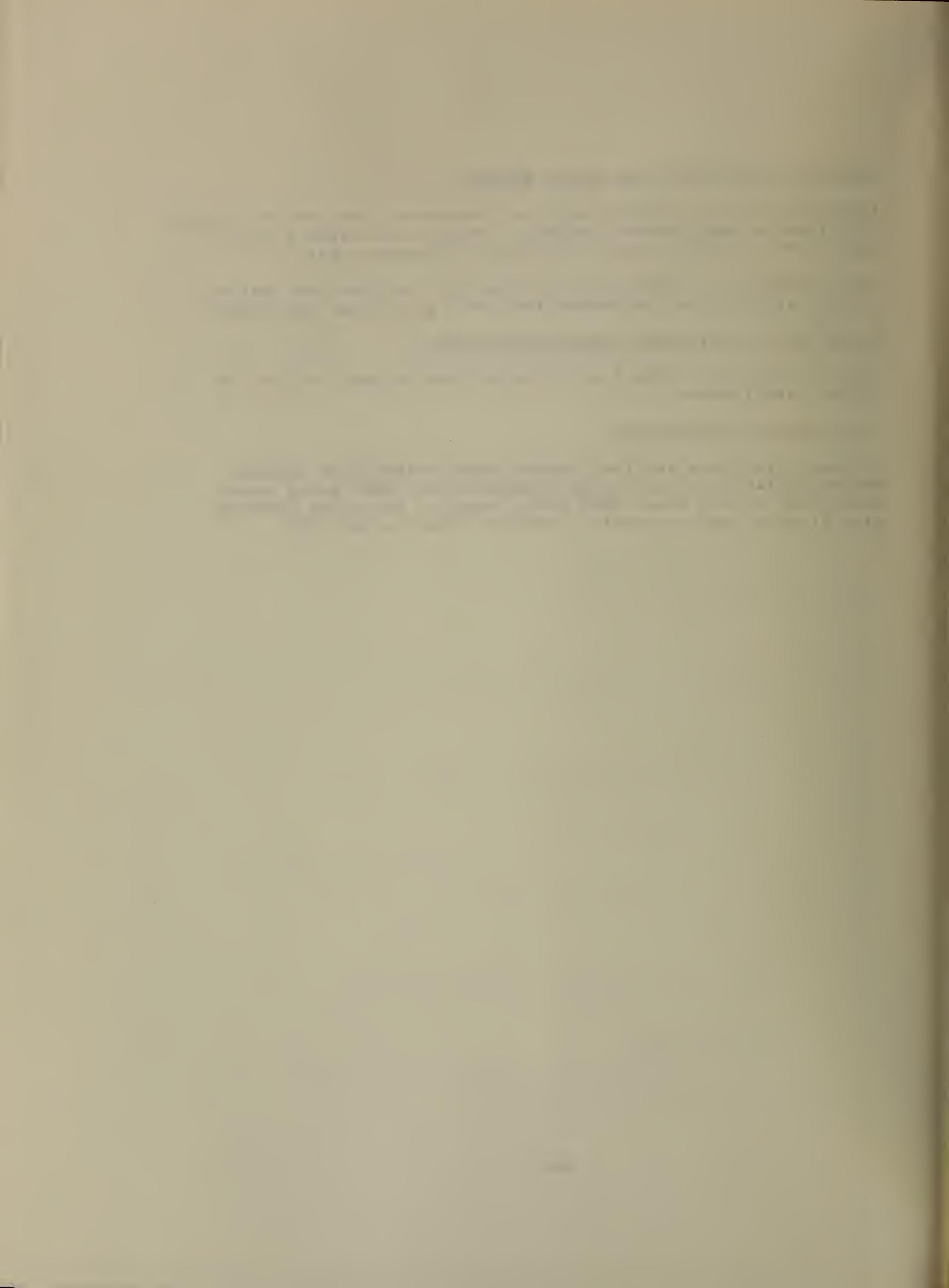
Please provide the indirect cost rate (%) that will be applied, and the absolute dollar amount that this percentage represents.

Grand Totals--Personnel and Non-Personnel:

Sum the sub-totals from Part A (Salary and Fringe) and Part B (Direct and Indirect).

% of Overall MSCP Request:

In completing this section, please keep in mind that General Administrative expenses to be charged to the MSCP grant cannot exceed 18% of the total MSCP grant request, and total (General plus Program) administrative expenses cannot exceed 23%.



FY 1988 GENERAL FUND
MASSACHUSETTS SMALL CITIES PROGRAM

PUBLIC HEARING DOCUMENTATION

PUBLIC HEARING INFORMATION

Date/Time Held: _____ Attendance: _____

Location: _____

Hearing Officer: _____

Publication(s): _____
(or mailings)

Dates Published: _____

PUBLIC HEARING DOCUMENTATION

In the space provided below, please attach a copy of the public hearing notice as it appeared in the newspaper(s) listed above, or a copy of the notice as was posted in the appropriate public buildings.

PUBLIC HEARING DOCUMENTATION INSTRUCTIONS

Applicants are required to hold one formal public hearing before submitting an application for MSCP funds. Notice of that must be published at least once a week for at least two (2) successive weeks immediately prior to the date of the hearing, in at least one newspaper of general circulation in the locality. For publication purposes, the first notice should be placed in the newspaper 15 days before the public hearing, while the second notice should be placed 8 days before the hearing. If there is no newspaper of general circulation serving the community, the notice must be posted in at least three (3) public places in the locality for not less than 14 days prior to the date of the hearing. At a minimum, this notice should:

- (1) Identify the public body that is to hold the hearing.
- (2) Identify the agency that is to undertake the project(s).
- (3) Identify the date, time, and place of the hearing.
- (4) Identify the project area(s).
- (5) State that any person or organization wishing to be heard will be afforded an opportunity to be heard.

In all cases, communities are also encouraged to mail such notices to civic organizations, community action agencies, or other groups likely to be concerned about the target area/populations or the activities to be undertaken.

PUBLIC HEARING INFORMATION

Date/Time Held:

List the date and time that the public hearing was held.

Attendance:

Give the number of people in attendance at this public hearing.

Location:

Give the name of the place where the hearing was held.

Hearing Officer:

Name of the person who conducted the public hearing.

Publication:

State the name(s) of the newspaper(s) or building(s) where this notice was posted/published. If mailings were also sent out, please note here.

Dates Published:

List the dates of publications or posting.

Minutes:

Attach a copy of the minutes of the hearing. Minutes should contain (1) a discussion of the presentation and concerns which were raised by those in attendance and (2) a description of who attended the hearing.

Public Hearing Documentation

Attach a copy of the notice advertising the public hearing.

FY 1988 GENERAL FUND
MASSACHUSETTS SMALL CITIES PROGRAM

CHIEF ELECTED OFFICIAL (CEO) CERTIFICATIONS

On behalf of the applicant, of which I am a duly authorized local official empowered to sign such documents, I certify that the following actions have or will be taken:

- (1) The applicant will minimize displacement resulting from MSCP-funded projects whenever possible.
- (2) The project will be conducted in accordance with Title VI and Title VIII of the Civil Rights Act and, further, the applicant will affirmatively further fair housing.
- (3) The applicant has provided opportunities for citizen participation, and has conducted a public hearing, and has provided information to citizens regarding the project that is to be submitted for MSCP funding consistent with Section 104(a) (2) of Title I of the Housing and Community Development Act of 1974, as amended.
- (4) The applicant will not attempt to recover any capital costs of public improvements assisted in whole or in part with CDBG funds by assessing properties owned and occupied by low and moderate persons unless: (A) CDBG funds are used to pay the portion of such assessment that relates to non-CDBG funding or; (B) the applicant certifies to the State that, for the purposes of assessing properties owned and occupied by low and moderate income persons who are not very low income, the applicant does not have sufficient CDBG funds to comply with the provisions of "A" above.

By _____
Signature of Chief Elected Official

Typed Name

Title

Date

FY 1988 GENERAL FUND

MASSACHUSETTS SMALL CITIES PROGRAM

CITY/TOWN TREASURER CERTIFICATION

To the attention of the local Treasurer:

In the space provided, please list all bank accounts through which program income relative to MSCP or prior HUD administered programs pass. The activities which generate Program Income may include, but are not limited to, the following: 1) Proceeds from the sale of real and personal property; 2) principle and interest payments made on a CDBG (funded loan; 3) interest earned from lump-sum rehabilitation escrow account or revolving loan account. This also may include program income retained by a subgrantee or administering agency.

For those grantees who may have an existing MSCP grant, please do not include information on the Designated Depository Account. This account is used solely for the initial receipt and disbursement of funds drawn from the State.

Please attach copies of all bank statements relative to the above mentioned accounts.

<u>Statement Date</u>	<u>Account #</u>	<u>Amount</u>
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I certify that the above noted accounts and amounts accurately reflect the City/Town of _____'s total MSCP program income.

TREASURER

APPENDIX I

The Rental Rehabilitation Program (RRP)

Funding through the Rental Rehabilitation Program (RRP) which comes to Massachusetts from the U.S. Department of Housing and Urban Development can allow Small Cities grantees to expand their housing rehabilitation efforts to serve more households. It can also expand the range of assistance that a community may offer a property-owner, due to the Section 8 rental assistance vouchers that are available to income eligible households.

Who is eligible to apply for Massachusetts RRP funds?

Any otherwise eligible Small Cities applicant community (generally cities and towns less than 50,000) is encouraged to apply for RRP, as long as they are not receiving funds under the Entitlement portion of the RRP. Previously, rural communities eligible for the Farmer's Home Administration's Title IV housing programs were considered ineligible for RRP funds, but this exclusion has been lifted.

How can the RRP funds be used ?

In selected neighborhoods, eligible communities can use RRP funds to provide financial assistance to residential property-owners in order to stimulate housing rehabilitation of units generally affordable to low and moderate income households. At Depending on unit size, under normal circumstances at least \$5,000/unit in assistance and as much as \$8,500/unit, may be given to the property-owner, to correct substandard conditions so long as the RRP assistance amount does not exceed 50% of total rehab project cost. In cases of exceptionally high costs, additional assistance can be made available through special waiver procedures.

In past years EOCD has generally required that the other 50% or more come from a purely private match. After consultation with HUD, EOCD will now support the use of other public funds as part of this hitherto private match.

For units in which lower income tenants reside, Section 8 vouchers also may be available to assist in keeping the units affordable to such households.

What are appropriate neighborhoods in which to target the RRP funds?

Communities should direct the RRP funds at neighborhoods where the median income does not exceed 80% of the median income for the area. This requirement derives from the fact that the RRP was designed by the federal government as an experimental approach to stimulate, with as little government intervention as possible, private reinvestment in residential property, while keeping such housing affordable to lower income persons. Therefore, the federal government wants the funds targeted to neighborhoods not likely to be gentrified in the near future.

What are appropriate projects for the RRP funds?

Communities can give rehabilitation financial assistance (grants or loans) to "primarily residential" rental projects. "Primarily" means that at least 51% of the rentable area must be residential space. While the building may be of mixed use, RRP funds may only be used for the rehabilitation of the residential units and parts of the building essential to the residential units (foundation, roof, major systems). To be eligible, a building must have one or more "substandard" conditions; "substandard" being defined as units that do not meet State or local codes, or Section 8 Existing Housing Quality Standards.

The federal government, for reasons similar to those given in the description of appropriate neighborhoods above, require that at least 70% of units rehabilitated with Rental Rehabilitation funds be initially occupied by lower income households. In addition, in order to ensure that sufficient family-sized units get rehabbed through the program, the federal government requires that at least 70% of the units rehabbed contain 2 or more bedrooms at the completion of rehabilitation. Communities should pick potential projects that in aggregate will let the grantee achieve these goals.

In addition, while use of MSCP funds for a match has been liberalized, communities should still seek to leverage appropriate amounts of private investment in the rehab, depending upon individual applicant finances.

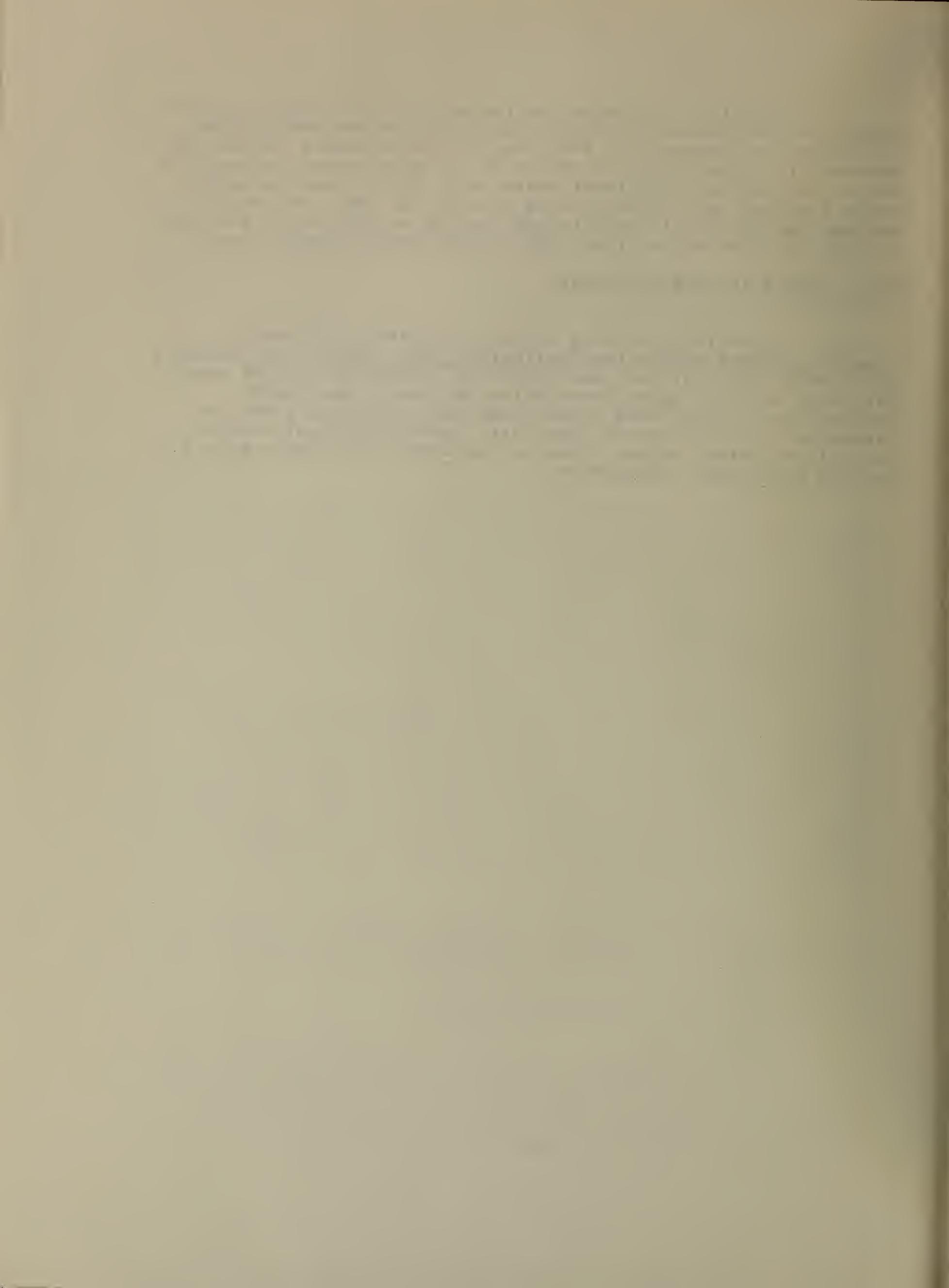
How much funds can a community request?

Initial requests of RRP program funds should be limited to the \$40,000-\$250,000 range. Requests for less than \$40,000 will be less competitive, but still will be considered. In addition, any community exhausting their initial allocation of RRP funds will be eligible for supplemental allocations.

Finally, it is expected the most of the administrative expense associated with the local operation of the RRP will be covered by the community's MSCP administrative budget allocation. However, if a MSCP-eligible community can demonstrate the need, it may be provided an additional award of \$1,000 in administrative funds for each unit rehabilitated through the RRP. The yearly maximum funding level for this administrative supplement will be \$25,000 per grantee to offset RRP related administrative costs.

How to apply for the RRP funds

Communities wishing to apply for RRP funds should complete the RRP box on the Application Cover Sheet, and include a brief description of how your community intends to utilize such RRP funds in the Program Description section of your MSCP application. If the EOCD review team has additional questions regarding your RRP request, they will contact the applicant's identified Contact Person (also on the Application Cover Sheet) to get the additional information.



APPENDIX II

EXCERPTS FROM M.G.L. CHAPTER 121-A AND 121-B

SLUM AND BLIGHTED AREA

The following excerpts are taken from Massachusetts General Laws (Chapter 121 A and B) and should be used by applicants to justify MSCP activities under the National Objective of Slums and Blight. This is the state law which describes how a determination is made of an area as a slum or a blighted space. For the purposes of this application, applicants need not make a formal determination that the area in question meets these requirements, but it must use these definitions as the basis for its justification. A MSCP project must meet only one of the definitions outlined below.

Chapter 121-A

"Blighted Open Area", a predominantly open area which is detrimental to the safety, health, morals, welfare or sound growth of a community because it is unduly costly to develop it soundly through ordinary operations of private enterprise by reason of the evidence of ledge, rock, unsuitable soil, or other physical conditions, or by reason of the necessity for unduly expensive excavation, fill or upgrading, or by reason of the need for unduly expensive foundations, retaining walls or unduly expensive measures for waterproofing structures or for draining the area or for the prevention of the flooding thereof or for the protection of adjacent properties and the watertable therein or for unduly expensive measures incident to building around or over rights of way through the area, or for otherwise making the area appropriate for sound development, or by reason of obsolete, inappropriate or otherwise faulty platting or subdivision, deterioration of site improvements or facilities, division of the area by rights of way, diversity of ownership of plots, or inadequacy of transportation facilities or other utilities, or by reason of tax or other delinquent assessments, or because there has been a substantial change in business or economic conditions or practices, or an abandonment or cessation of a previous use or of work on improvements begun but not feasible to complete without the aids provided by this chapter, or by reason of any combination of the foregoing or other conditions; or a predominantly open area which by reason of any condition or combination of conditions which are not being remedied by the ordinary operations of private enterprise is of such a character that in essence it is detrimental to the safety, health, morals, welfare, or sound growth of the community in which is it located.

Chapter 121-B

"Blighted Open Area" - see above definition.

"Decadent Area", an area which is detrimental to the safety, health, morals, welfare, or sound growth of a community because of the existence of buildings which are out of repair, physically deteriorated, unfit for human habitation,

or obsolete, or in need of major maintenance or repair, or because much of the real estate in recent years has been sold or taken for non-payment of taxes or upon foreclosure of mortgages, or because buildings have been torn down and not replaced and under existing conditions it is improbable that the buildings will be replaced, or because of a substantial change in business or economic conditions, or because of inadequate light, air, or open space, or because of excessive land coverage or because diversity of ownership, irregular lot sizes, or obsolete street patterns make it improbable that the area will be redeveloped by ordinary operations of private enterprise, or by reason of any combination of the foregoing conditions.

"Substandard Area", any area wherein dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitation facilities or any combination of these factors, are detrimental to safety, health or morals.



